

1 **UNITED STATES DISTRICT COURT**  
2 **NORTHERN DISTRICT OF CALIFORNIA**

3  
4 THE CITY OF SEATTLE, IMMIGRANT  
5 LEGAL RESOURCE CENTER, CATHOLIC  
6 LEGAL IMMIGRATION NETWORK, INC.,  
7 SELF-HELP FOR THE ELDERLY,  
8 ONEAMERICA, AND CENTRAL  
9 AMERICAN RESOURCE CENTER OF  
10 CALIFORNIA,

11 *Plaintiffs,*

12 vs.

13 DEPARTMENT OF HOMELAND  
14 SECURITY, KEVIN MCALEENAN,  
15 KENNETH T. CUCCINELLI, AND UNITED  
16 STATES CITIZENSHIP AND  
17 IMMIGRATION SERVICES,

18 *Defendants.*

Case No. 3:19-cv-07151-MMC

19 **DECLARATION OF RICH STOLZ**  
20 **IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION**

21 I, Rich Stolz, declare as follows:

22 1. I have personal knowledge of the matters set forth herein. I would testify to the  
23 facts in this declaration under oath if called upon to do so.

24 2. I am the Executive Director at OneAmerica, a 501(c)(3) non-profit organization  
25 headquartered in Seattle, Washington.

1 **OneAmerica's Mission**

2 3. OneAmerica is the largest immigrant and refugee advocacy organization in  
3 Washington State. Its mission is to advance the fundamental principles of democracy and justice  
4 at the local, state, and national levels by building power within immigrant communities.

5 4. OneAmerica achieves its mission with community organizing and leadership  
6 development in immigrant and refugee communities of color to create civic and political space  
7 for our grassroots leaders to shape and reform critical policies, practices, institutions, and  
8 movements that impact their lives. We engage grassroots leaders and members in targeted  
9 geographic communities through our civic engagement model: organizing, leadership  
10 development, naturalization, voter registration, voter education and turn-out, and developing  
11 candidates for appointed and elected office. The ability to naturalize is critical to civic  
12 engagement in our communities.

13 5. As such, helping eligible immigrants apply for citizenship and become civically  
14 engaged citizens is a crucial and integral component of our mission. As part of this effort,  
15 OneAmerica has served as the sole contracting agency for the Washington New Americans  
16 program ("WNA") since that program was founded in 2008.

17 **Naturalization Funding**

18 6. WNA is a Washington State program administered by OneAmerica via a contract  
19 with the state's Department of Commerce. The purpose of the program is to connect eligible  
20 immigrants and refugees to the information and legal services needed to successfully naturalize  
21 and exercise their civic voice. Originally intended to provide critical free legal services in  
22 Washington communities that have the least access to affordable experienced immigration law  
23 counsel, the program is funded by a legislative appropriation in the state budget. Since July 2017,  
24 the legislative appropriation—and therefore WNA—has been fully funded at \$1 million per year.  
25 Of this amount, OneAmerica receives \$950,000 per year (the remaining \$50,000 stays with the  
26 state to cover administrative costs).

7. The vast majority (about 90 percent) of OneAmerica’s funding for naturalization application services comes through this legislation appropriation. OneAmerica’s current contract with Washington’s Department of Commerce requires that OneAmerica complete at least 1,100 naturalization applications, host “Citizenship Day” workshops in three cities twice a year, host four other workshops, and screen at least 1,900 green card holders for eligibility every year, among other deliverables. Failure to comply with the terms of this contract could result in loss of this funding and/or removal as the sole WNA contracting agency.

8. As a requirement of its WNA funding, OneAmerica is required to, among other things, match 10 percent of the funding amount with their own cash resources. To do this, OneAmerica allocates \$95,000 from its general fund to naturalization application services. This amount is largely made up of grants, including a grant from the New Americans Campaign (“NAC”). As with all NAC grants, this grant imposes strict quantitative requirements on OneAmerica, requiring it to complete 80 naturalization applications per year and four workshops. Failure to complete the requisite number of applications or hold the requisite number of workshops would result in the loss of this funding.

9. Another grant, earmarked for naturalization application services, is from the City of Seattle. This grant requires that OneAmerica organize one to two naturalization workshops a year, and send OneAmerica staff to assist with additional workshops sponsored by the City of Seattle and other partners. Failure to hold the requisite number of workshops would result in the loss of this funding.

10. Should any of the above funding sources become unavailable, including because OneAmerica is unable to meet grant obligations, OneAmerica would not be able to find this level of funding elsewhere. OneAmerica’s naturalization application assistance program, including its sub-granting, is entirely dependent on receiving WNA state funding—and that funding, in turn, depends on OneAmerica’s ability to provide a certain amount of its own funding.

## OneAmerica's Workshop Model: Clinics and Citizenship Days

11. In order for OneAmerica to meet its naturalization grant requirements, OneAmerica has identified two essential methods: by hosting its own naturalization workshops (also called clinics) and by regranting a significant amount of its WNA funding to 17 local organizations. These local partners provide naturalization services that count towards OneAmerica's grant requirements.

12. OneAmerica meets about 20 to 25 percent of its total grant obligations by hosting at least 20 naturalization clinics (workshops) per year. This includes six Citizenship Day events, at least four other clinics throughout the state, all on Saturdays, and a once-monthly weekday evening clinic in downtown Seattle. OneAmerica does not directly provide in-office naturalization application services outside of the clinic setting.

13. The clinic model relies on simple cases and the idea that OneAmerica can serve clients in a single day. Clinics meet a significant unmet need in the rural areas of the state, for clients who cannot afford an immigration attorney, and for clients who work multiple jobs such that they cannot spend time on naturalization application preparation during the week. The clinics are particularly necessary in areas with rural farmworkers, many of whom have extremely limited access to legal services, and little to no free time or savings.

14. OneAmerica's clinic and workshop models typically involve the following elements: *first*, client outreach for appointment and walk-ins; *second*, recruitment of attorneys, United States Department of Justice ("DOJ")-Accredited Representative, paralegals, interpreters and general volunteers for a variety of roles; *third*, coordination and planning with site hosts at mostly community colleges and other trusted sites with the help of local partner organizations, some of whom are OneAmerica's grantees; *fourth*, on day of the clinic or workshop, applicants meet first with a screening attorney or DOJ-Accredited Representative for a thorough analysis of eligibility or referral to other resources, and if approved to proceed, a paralegal helps prepare the application, including fee waivers; *fifth*, a second review of the completed forms with a different



1 experienced immigration lawyer or DOJ-Accredited Representative; and then final preparation  
2 and copying of the application ready for filing and instructions on next steps.

3 15. Using this model, OneAmerica serves between ten and 40 clients per clinic. About  
4 40 percent of OneAmerica's clinic clients use a fee waiver, and more than half of those clients  
5 prove their eligibility for a fee waiver by showing that they receive a means-tested benefit  
6 ("MTB"). In these cases, the fee waiver application takes less than ten minutes to prepare.

7 16. As a requirement of its WNA funding, OneAmerica must also host two Citizenship  
8 Days a year. Citizenship Days are OneAmerica's signature program, and consist of three large  
9 naturalization workshops held on the same day, in different locations across Washington State.  
10 The goal of Citizenship Day is to serve communities that are typically not served by  
11 naturalization services and where there is limited access to legal services or affordable legal  
12 services. For example, the most recent Citizenship Day on September 21, 2019, included  
13 workshops in Renton, Ellensburg, and Pasco.

14 17. On a typical Citizenship Day, between 30 and 80 clients will show up at each site.  
15 About 50 percent of Citizenship Day clients will be deemed eligible by the legal volunteers to file  
16 for naturalization and complete their applications at the workshop. Anyone who has a legally or  
17 practically complex case cannot complete their application that day, and instead is sent home with  
18 a checklist of next steps and referrals to other service providers. OneAmerica does not generally  
19 have the capacity to follow up with clients who are referred out, although on occasion they do  
20 refer clients to the next available workshop in their area. However, because of staff capacity and  
21 the size of the state, workshops in a given area may be few and far between.

22 18. Taking all clinics, including Citizenship Days, together, 40 percent of  
23 OneAmerica's clients submit a fee waiver application along with their naturalization application.  
24 Half of those applicants use a MTB verification letter to prove their eligibility for a fee waiver.  
25 OneAmerica always uses a verification letter if the client has one, because it is significantly easier  
26 for both OneAmerica and the client.

19. When a OneAmerica client who applies for a fee waiver is denied, it is typically a client who used the income-based method to prove their eligibility. While OneAmerica does not provide in-house direct services to applicants, we have been able to provide some post-clinic follow up as needed, for example if an income-based fee waiver is denied. When this happens, OneAmerica has to use a DOJ-Accredited Representative on staff to replicate and confirm USCIS's calculation of the client's income, determine whether there are additional ways to explain the client's income, and write detailed cover letters trying to further explain the basis of the client's fee waiver application. Including time on the phone with the applicant, explaining needed income documentation and working with them to obtain it, this takes at least two hours of staff time per client with a fairly simple income situation. If an applicant doesn't live in the Seattle area and cannot come into the OneAmerica office, staff spend even more time going back and forth with the client to figure out the issue. Staff asks clients to send scans or pictures of their rejection letter and the original fee waiver application, and then additional scans or pictures of supplemental income documentation. Then, OneAmerica staff sends back the corrected fee waiver form and cover letter via email, or more commonly, by U.S. mail since many clients don't have email accounts. Clients with more complex income situations, or no income at all, present a more complex situation that sometimes cannot be addressed at all. This is above and beyond the 30 minutes to an hour that it took to prepare the client's income-based application to begin with.

20. OneAmerica is only able to provide this type of one-on-one troubleshooting because we don't handle rejected income-based fee waivers often, usually only five to ten times a year. Under the new fee waiver changes, we anticipate many more denials and will be hard-pressed to help everyone.

21. There is a small proportion of applicants at OneAmerica's workshops who complete their applications successfully but don't file them after the workshop. The number one reason, given by those who didn't mail their application, is because they cannot afford the USCIS filing fee, either because they weren't eligible for any type of fee waiver or they did not have

1 enough income documentation for OneAmerica to help them prepare the income-based I-912  
2 form.

3 22. OneAmerica meets the remainder of its grant requirements by regranting a  
4 significant amount of its WNA state funding to a pool of 17 local organizations, who assist  
5 OneAmerica in meeting its grant obligations. Most of these organizations do not host their own  
6 workshops, although they help with the coordination and staffing of OneAmerica's workshops.  
7 Instead, these organizations work with clients at in-office appointments throughout the year.  
8 Completed applications are reported to OneAmerica, which in turn reports to the Washington  
9 State Department of Commerce. These sub-grantees will also be significantly impacted by the  
10 change to the fee waiver process for the same reasons outlined here, as the increased time to  
11 complete each application will ensure they serve fewer clients and risk not meeting the  
12 deliverables required by their sub-grants.

### 13 **Harm to OneAmerica from Changes to the Fee Waiver Process**

14 23. The changes to the fee waiver process will have an immediate negative impact on  
15 OneAmerica's naturalization application services.

16 24. OneAmerica made its objections to the rule change clear, and it explained how it  
17 would be severely harmed, in comments submitted during the Paperwork Reduction Act process.  
18 *See Ex. A* (Nov. 27, 2018 comment "Re: Docket ID USCIS-2010-0008"); *Ex. B* (May 6, 2019  
19 comment "Re: Agency USCIS, OMB Control Number 1615-0116"); *Ex. C* (July 3, 2019  
20 comment "Re: Agency USCIS, OMB Control Number 1615-0116") (collectively, "OneAmerica's  
21 Comments").

#### 22 **a. Decimation of the Workshop Model**

23 25. OneAmerica's clinic model will immediately become untenable. The clinic model  
24 is designed to produce ready-to-file applications within one day, including a fee waiver if one is  
25 needed. OneAmerica's current clinic volume depends on using evidence that a client receives a  
26 MTB for the majority of the fee waiver applications they submit. OneAmerica does not have the

1 staff or capacity to follow-up and assist with complex case management or the kind of  
2 information-gathering required to apply for a fee waiver under the new rules. OneAmerica staff  
3 recently met to discuss the logistics of how to get prospective applicants to bring sufficient  
4 documentation to naturalization preparation workshops. Currently, OneAmerica's staff will text,  
5 call, email, or mail applicants a list of what to bring to the workshop. Everything currently on the  
6 list of what to bring is self-explanatory—for example, a list of the addresses where the applicant  
7 has lived, jobs they have had, birthdates and names of their spouses and children, an agency letter  
8 showing they receive a MTB, among other things. OneAmerica staff only needs to provide in-  
9 depth explanations of what to bring to a small percentage of attendees—for example, staff will  
10 call people who have been arrested in order to explain how to obtain court records. However,  
11 helping people understand and acquire the required income documentation under this new rule  
12 will require lengthy, personalized explanations to each person. In OneAmerica's experience,  
13 people do not understand who counts as being a part of the "household," how to calculate  
14 household size, or whose tax transcripts should be brought to the clinic. When applicants are  
15 claimed as a dependent on someone else's tax return, they almost never have that person's tax  
16 return with them at the workshop. Further, many applicants make appointments too close to the  
17 workshop date for them to have enough time to order a tax transcript, and for our large  
18 Citizenship Day workshops that accommodate walk-ins, most of these people would not have tax  
19 transcripts in time or have all of the documents required for all members of their household.

20 26. Finally, OneAmerica does not make appointments at all of our workshops,  
21 especially our larger Citizenship Days, which are primarily first-come, first-served. Since  
22 Citizenship Day is held at three sites on the same day, we simply don't have the staff hours to  
23 make appointments for all 100 to 250+ applicants who are served on that day. Instead,  
24 OneAmerica conducts widespread outreach in the community, places in-language advertisements  
25 in ethnic media and circulates more than 20,000 flyers statewide that contain the list of  
26

1 documents to bring. We are unable to make contact with most walk-in applicants prior to  
2 Citizenship Day.

3 27. Moreover, the new requirements for proving income are not tenable in a clinic  
4 setting, and will make completing a naturalization application and an accompanying fee waiver  
5 request impossible. First, the new form requires clients to provide tax transcripts, which most  
6 clients will have to request by mail or phone weeks ahead of time in order to have them in hand at  
7 the workshop. OneAmerica does not have the time or capacity to assist with obtaining tax  
8 transcripts in a clinic setting, and even if they did, the requests would be of little utility at that  
9 stage, since the transcripts wouldn't arrive until after the clinic has ended.

10 28. The IRS provides only one way to obtain a transcript instantly online, but it's  
11 impossible for most of OneAmerica's clients. Accessing a tax transcript online is possible only if  
12 the client has (1) information from past tax records, (2) an email address, (3) a personal account  
13 number for a credit card, mortgage, home equity loan, home equity line of credit, or car loan, and  
14 (4) a mobile phone with the taxpayer's name on the account. Many clients do not have a credit  
15 card, car loan, mortgage, home equity loan, or line of credit they could use to verify their identity;  
16 some do not even have access to personal checks. Many clients use pay-as-you-go phones, or are  
17 on family plans, so do not have cell phone plans in their own name. In fact, many clients lack *all*  
18 of the required financial products they must have in order to make an online request. OneAmerica  
19 attended a training on November 1, 2019 hosted by the United Way King County tax preparation  
20 office with about 40 other immigration legal service providers. At that training, only a handful of  
21 *staff* from these immigration legal service providers had the requisite documentation to obtain tax  
22 transcripts instantly online.

23 29. Instead, applicants will have to request tax transcripts by phone or mail. While  
24 applicants need to provide less information upfront in order to order transcripts by phone or mail,  
25 many of them will still need service provider assistance to complete the request. The IRS phone  
26 system is only available in English and Spanish; last fiscal year, OneAmerica served people at

1 workshops who spoke 22 different languages. Phone and mail transcript orders take at least five  
2 to ten days to process, and so if the applicant was not able to obtain the transcript themselves in  
3 time for the workshop, OneAmerica would not be able to complete a fee waiver request.

4 30. Moreover, phone and mail requests can only be used to request Tax Return  
5 Transcripts and Tax Account Transcripts. The new fee waiver form instructions specifies that  
6 people who did not file taxes because they did not earn enough money must provide W-2s (if they  
7 have them), a Wage & Income Transcript and/or a Verification of Non-Filing. One can only  
8 request Wage & Income Transcripts and Verification of Non-Filing from the IRS in two ways:  
9 online (which as explained above, the vast majority of OneAmerica's clients are not eligible to  
10 do), or via filing IRS Form 4506-T. The I-912 fee waiver instructions request that anyone in the  
11 applicant's household – not just the applicant – who did not earn any income, or did not file taxes  
12 because their income was too low to do so, must submit either a Wage & Income Transcript,  
13 and/or a Verification of Non-Filing as well. People must file a unique IRS Form 4506-T for each  
14 type of document they want to request, so many people will need to complete at least two 4506-  
15 Ts: one to request a Wage & Income Transcript and another for a Verification of Non-Filing. It  
16 takes three to six weeks, according to the IRS, for a response. OneAmerica books clinic  
17 appointments anywhere from one to four weeks ahead of time—not enough time for applicants  
18 who need transcripts they can only request via the IRS Form 4506-T.

19 31. In addition, even where a client is able to order a tax transcript, the IRS has made  
20 clear that tax transcripts for the tax year in question will not be available until six to eight weeks  
21 after taxes are submitted. Then, they take at least five to ten days to process. This is in addition to  
22 any delays related to gathering the materials required to request a transcript to begin with. With  
23 all of these added delays, spring clinics, such as OneAmerica's annual three-site April Citizenship  
24 Days, that coincide with workshops held nationwide, will now be virtually futile because we will  
25 be manifestly unable to complete any fee waivers under the new rule: clients simply will not have  
26 what they need to complete their application. This is also true of September clinics, for clients

1 who receive an extension on their tax return deadline. Similarly, administrative or mail-related  
2 delays are very likely to result in clients generally arriving at clinics without necessary materials.

3 32. The fee waiver changes have complicated who is considered part of a household,  
4 and require applicants to report income for every person in their household. In addition to  
5 increasing confusion and the likelihood of errors, this may require applicants to collect tax  
6 information and other proof of income not just for themselves, but for every other adult in their  
7 home who contributes to the household. That is particularly problematic in Washington State,  
8 where co-living and multigenerational households are quite common due to the constantly rising  
9 cost of housing; as such, co-living and multigenerational households also demonstrate an  
10 applicant's inability to pay naturalization fees and that a reliance on Federal Poverty Guidelines  
11 alone cannot reveal. Even determining household size to assess the applicable Federal Poverty  
12 Guideline is challenging for both clients and volunteers to understand. Staff report that while they  
13 try to explain over the phone, the applicants often arrive without the correct tax returns and  
14 documentation anyway, which wastes time for everyone.

15 33. For example, take an applicant who is 25 years old and is a single parent to two  
16 young children, and works part-time while they are in school. She also receives food stamps. She  
17 lives with her elderly parents, who receive Social Security for retirees as their only form of  
18 income. None of them earn enough money to be required to file taxes, and they live together as a  
19 household to pool resources in tight times. Under the prior process, her fee waiver application  
20 based on her MTB (food stamps) would have taken ten minutes. Under the changes to the fee  
21 waiver process she now needs a W-2 from her part-time job and a verification of non-filing from  
22 IRS. Or if she doesn't have W-2s, she needs a Wage & Income transcript from the IRS. She then  
23 needs a SSA-1099 for her mother and a SSA-1099 for her father. Knowing how to gather these  
24 documents and obtaining them all before a workshop without significant prior assistance is  
25 virtually impossible.

34. As discussed above, there are additional evidentiary requirements for applicants who are unemployed, homeless, or receiving support services from a religious institution, nonprofit, or community-based organization. If applicants do not bring the documentation with them to a workshop—which, as explained in the above example, is likely—they will not be able to complete the application at the workshop.

35. In order to assist a client who has limited language capacity or no family support with a fee waiver, OneAmerica staff will have to spend time walking through mail-in or online forms by phone. Although we have some bilingual staff, many clients speak additional languages—OneAmerica served people who spoke 22 languages last year, largely thanks to bilingual volunteers. Outside the workshop setting, OneAmerica refers those clients to partner organizations, who quickly provide clinic details in the relevant language. These organizations don't have time or ability to walk clients through the very detailed new fee waiver requirements, or to help them obtain fee waivers. As such these clients are likely to fall through the cracks and not receive services.

### **b. Immediate Diversion of Resources**

36. In order to respond to the changes to the fee waiver process, OneAmerica will have to spend and already has spent a significant amount of time, money, and other resources educating volunteers and DOJ-Accredited Representatives across Washington about the changes and how to help applicants apply for a fee waiver under the new rules. As one of the state's largest providers, the sole contracting agency for WNA, a NAC site leader, and a granting agency, OneAmerica is responsible for ensuring that volunteers (attorneys and otherwise) providing services are incorporating best practices and understand new requirements. OneAmerica will do this through newly developed trainings, new sessions at its annual convening for Washington state providers, and the development of updated and new training materials explaining the new requirements and how to comply with them. In addition, OneAmerica will



1 have to make sure that its monthly newsletter and monthly trainings are updated and accurately  
2 convey the new policy and new best practices.

3 37. In addition to the estimated 120 hours of staff time and over \$3,000 OneAmerica  
4 has already spent trying to understand the new rule instructions, learning how to obtain tax  
5 transcripts and developing a plan with our partners to ensure fee waivers completed at our  
6 November 16, 2019 workshop get filed before the new rule goes into effect, we estimate that 150  
7 hours of additional staff time will be needed to update our outreach materials, website, telephone  
8 scripts, advertisements, instructions, screening forms and volunteer trainings. This will cost the  
9 organization approximately \$4,200.

10 38. In addition, OneAmerica staff will also have to re-write and re-design its outreach  
11 materials, including paying to re-translate those materials into twelve languages.

12 39. Retranslating and reprinting materials would cost the organization a further  
13 \$4,000.

14 40. In addition to these internal infrastructural changes, OneAmerica will likely  
15 conduct pre-event follow-ups to ensure that every workshop applicant was able to collect all  
16 necessary proof of income information. We estimate another three hours of additional staff time  
17 per applicant is needed for this sort of follow-up. We would need to commit these additional  
18 resources as soon as the new fee waiver process goes into effect, hiring additional staff or  
19 diverting staff time from other activities such as recruiting applicants for future workshops or  
20 providing other direct services.

21 41. Alternatively, OneAmerica will have to spend a significant amount of time, and  
22 more time than it currently spends, educating and preparing clients for clinics, likely by holding a  
23 series of classes or events where clients are walked through all of the materials they will need to  
24 apply for the fee waiver. This will lead to a large amount of staff time and resources being  
25 devoted to working with clients before each naturalization clinic. This is additional time and  
26 expense that OneAmerica cannot spare with our current staff makeup. We would need to cut

1 down on outreach and the number of workshops we organize in order to find enough staff time to  
2 reallocate.

3 42. WNA funding is biennial (that is, approved in two-year periods) and was just  
4 renewed. Our current funding does *not* include any additional services or expenses for more  
5 follow-up time or additional pre-clinic training.

6 43. We have already incurred costs to prepare for the rule, which include planning  
7 meetings, document preparation, research and evaluation of legal requirements, outreach to  
8 grantees and logistical planning for our next workshop. We will incur additional costs as soon as  
9 the new form goes into effect. If the rule were later enjoined, we would not be able to recoup  
10 those costs.

11 **c. Loss of Funding**

12 44. Upon the likely decimation of the workshop model, the number of clients  
13 OneAmerica, and its sub-grantees, will be able to serve in a year will drop substantially. This is  
14 bad for Washington State, because the WNA program network is one of the two largest providers  
15 of free or low-cost naturalization services in the state. But it is also bad for OneAmerica, which is  
16 now at risk of failing to meet its various grant obligations, including the WNA, New Americans  
17 Campaign and City of Seattle requirements that OneAmerica host now-untenable naturalization  
18 clinics.

19 45. OneAmerica's grants—not to mention other grants that we and our sub-grantees  
20 receive—stipulate a number of naturalization applications to be *fully* prepared and ready to  
21 submit. So, for example, OneAmerica cannot just hold a clinic to complete the naturalization  
22 application (Form N-400) only and refer a client somewhere else to complete their fee waiver  
23 application. Legal service providers do not take on naturalization cases that are partially  
24 completed by others for a variety of reasons. For one, most of the grants nonprofit organizations  
25 rely on do not cover stand-alone fee waiver assistance. A fee waiver application on its own is not  
26 an application for any kind of immigration benefit, so that case would not be complete, and thus

would not count toward grant requirements. This is the core reason why OneAmerica cannot serve clients who require a financial hardship waiver. OneAmerica cannot handle those complex waiver applications, and so cannot “complete” those clients’ naturalization applications. Second, for legal liability reasons, legal service providers generally will not help an applicant with a fee waiver for a naturalization case that provider didn’t prepare themselves.

46. *First*, if applicants cannot use receipt of a MTB to prove eligibility for a fee waiver, many of them will not be able to prove their income eligibility in a clinic setting. OneAmerica estimates that anywhere from 70 to 90 percent of clinic participants who need a fee waiver would fail to bring all of the documentation that they need to the workshop. Given that 40 percent of clinic participants currently apply for naturalization with a fee waiver, this would amount to approximately 28 to 36 percent reduction in the total number of applicants who can be served in a clinic setting.

47. *Second*, the new rule will disqualify some potential applicants from a fee waiver entirely, and many, if not all of those applicants, will not submit a naturalization application without a fee waiver. The new rule limits fee waiver eligibility to families earning less than or equal to 150 percent of the Federal Poverty Guidelines, other than in cases of economic hardship. From July 1, 2018, through September 30, 2019, approximately 10 percent of the clients for whom OneAmerica produced a benefits-based fee waiver application had incomes over 150 percent of the Federal Poverty Guidelines. These clients would likely no longer be eligible for a fee waiver under the new rules.

48. Taken together, we estimate that OneAmerica will successfully complete approximately 28 to 36 percent fewer applications through its clinic program after the new form goes into effect. This decrease will jeopardize OneAmerica's ability to satisfy the requirements of our current grants. We may be able to make up some of these numbers by reaching out to more high-income naturalization-eligible immigrants, but that will frustrate our mission to provide services to those who are unable to afford private attorneys.

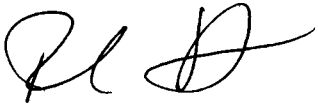
1           49.     OneAmerica's WNA grantee agencies will also submit fewer applications if the  
2 new fee waiver application process is permitted to go into effect. Even for agencies who provide  
3 in-office services rather than services in a clinic setting, the new proof-of-income requirements,  
4 and in particular the tax transcript requirements, means that each successful application will take  
5 more staff time to complete. With a finite amount of staff time available, more staff time per  
6 application means fewer total applications submitted overall. OneAmerica's ability to meet  
7 overall WNA State Contract requirements depends heavily on its grantees' ability to fulfill their  
8 own subcontracts. For our organization and its grantees, that will frustrate our mission to increase  
9 access to naturalization, which in turn is the springboard for civic engagement in our  
10 communities.

11           **d. Changes to the Fee Waiver Process Will Frustrate OneAmerica's Mission**

12           50.     The changes to the fee waiver process have the potential to deeply undermine  
13 OneAmerica's ability to provide naturalization assistance via the workshop model, harming our  
14 mission of empowering immigrant communities. Adjusting to the changes will require diversion  
15 of resources to adapt our service delivery model or require us to hire additional staff for pre-  
16 workshop/clinic informational sessions, the resources for which we have not been funded by the  
17 State or NAC. We will have to invest additional resources to continue delivering citizenship  
18 assistance even as we expect that we will face a drop in the number of naturalization applications  
19 completed as a result of the more onerous fee waiver application process. If OneAmerica is  
20 unable to meet its grant requirements of completed naturalization applications, the organization  
21 would face loss of significant funding, including from the WNA. This loss of funding could result  
22 in having to terminate our citizenship programs, which would significantly weaken our ability to  
23 deliver on our mission of advancing civic engagement and empowering the broader immigrant  
24 community.

1 I declare under penalty of perjury under the laws of the United States of America that the  
2 foregoing is true and correct to the best of my knowledge.

3  
4 Executed on November 6, 2019.

5  
6 

7  
8 

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Rich Stolz  
9 Executive Director, OneAmerica

# **EXHIBIT A**

## MISSION

OneAmerica  
advances the  
fundamental  
principles of  
democracy and  
justice at the  
local, state and  
national levels  
by building  
power within  
immigrant  
communities  
in collaboration  
with key allies.

November 27, 2018

Samantha Deshommes  
Chief, Regulatory Coordination Division  
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Department of Homeland Security  
20 Massachusetts Avenue NW  
Washington, DC 20529-2140

**RE: Agency Information Collection Activities; Revision of a Currently Approved Collection: Request for Fee Waiver; Exemptions Docket ID USCIS-2010-0008**

Dear Ms. Deshommes:

OneAmerica, based in Seattle, Washington, hereby submits comments to Docket No. USCIS-2010-0008, Agency Information Collection Activities; Revision of a Currently Approved Collection: Request for Fee Waiver; Exemptions.

OneAmerica is a 501(c)(3) organization and the largest immigrant and refugee advocacy organization in Washington State. OneAmerica plays an active role in state and national coalitions working on immigrant rights, education, economic and environmental justice, voting rights, and immigrant and new citizen integration. Our mission is to promote justice, fairness and due process for all, particularly for immigrant and refugee communities.

One of our flagship programs, Washington New Americans (WNA), has provided free citizenship screening and application preparation workshops throughout the State of Washington since 2008, in partnership with the Washington Chapter of the American Immigration Lawyers Association (AILA-WA). Therefore, we have particular expertise to be commenting on this regulation.

We strongly oppose this rule because it lacks justification, is complex, and because it increases the burdens on applicants, nonprofit legal service organizations like ours, government agencies, adjudicators, and communities across America.

### **I. THE REGULATION IS UNJUSTIFIED.**

The only justification given for the regulation is that "USCIS has found that the various income levels used in states to grant a means-tested benefit result in inconsistent income levels being used to determine eligibility for a fee waiver." No evidence is



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provided about how inconsistent income levels burden adjudications of fee waivers, given that the fee waiver test is inability to pay, and government agencies have already conducted means-tested analysis. 8 CFR 103.7(c)(1)(i). Further, USCIS hasn't provided any information or data indicating that erroneous decisions have been made or that improper information has been submitted for public benefits-based fee waivers.

States and localities have already conducted a means-tested analysis when awarding public benefits. The amount of evidence required to prepare a public benefits waiver application is as little as one page consisting of the agency award letter. No justification is provided about why the simplicity and efficiency of this waiver process and limited evidence requirement must be abandoned in favor of more onerous documentation requirements.

USCIS states in the proposed rule that it will "streamline and expedite review based on collection of extensive salient data." We do not agree that the additional new requirements will streamline or expedite review by eliminating the simplest and pre-determined evidence of ability to pay under the current public benefit ground for a waiver. Rather, USCIS seeks to inexplicably eliminate a process that is quick and efficient.

In addition, with an increase in application filings in all categories, more people are filing with fees than without fees. Most immigration filing fees were increased across the board in December 2016. USCIS has not demonstrated it cannot afford to process fee waiver cases, especially the public benefits-based I-912s which are the easiest to prove. We suspect the added work burden for USCIS will be used to justify another fee increase, since application adjudications are financed by filing fees, not the taxpayers.

## **II. THE REGULATIONS SUBSTANTIALLY BURDEN THE TIME AND COST ON APPLICANTS, COMMUNITY-BASED ORGANIZATIONS, ADJUDICATORS, OTHER GOVERNMENT AGENCIES AND COMMUNITIES ACROSS AMERICA.**

### **A. The Regulations Are a Burden on Applicants**

- 1. A national income test does not account for variations in minimum wages and cost of living across the country that affect ability to pay.**

The regulation proposes to eliminate use of public benefits as a ground for a fee waiver. Instead, one must qualify based on income according to the poverty guidelines or prove economic hardship, which is much more complicated to demonstrate and has a higher refusal rate. [Though USCIS does not release adjudication data that specifies the approval rate of I-912s based on benefits vs. based on income, internally at our organization, we typically experience a refusal rate of about 40-50% of income-based I-



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912s, as opposed to less than 10% refused for benefits-based I-912s. We never file hardship-based I-912s, specifically because we know these are almost never approved].

The test for the fee waiver is “inability to pay,” and the underlying application should not require proof of investment or ability to support oneself. 8 CFR 103.7(c). The current instructions and the proposed rules state a fee waiver is available if an applicant is “unable to pay the prescribed fee.” Receipt of a means-tested benefit is sufficient evidence of inability to pay, which is what 8 C.F.R. § 103.7(c) requires.

Ability to pay requires an analysis of income in the context of the location and household size. “Income earned” is not the whole picture of ability to pay. Relying on Adjusted Gross Income on tax returns in relation to the poverty guidelines does not show the taxes paid, including state and local taxes where applicable. These taxes vary greatly across state lines.

Furthermore, a national income standard does not account for cost of living differences. For example, according to 2018 data from HUD, area median income in Seattle is \$103,400. “Very low income” in Seattle for a family of 4 (defined as 50% of Area Median Income) is \$53,500/year.<sup>1</sup> Seattle recently adopted a minimum wage of \$15/hour to account for increases in the cost of transit, food and housing, which have risen exponentially in recent years.<sup>2</sup>

By contrast, many other areas of the country have lower minimum wages and lower costs of living, like Toledo, Ohio, for example. According to 2018 data from HUD, area median income in Toledo is \$67,200. “Very low income” in Toledo for a family of 4 (defined as 50% of Area Median Income) is \$33,600/year.<sup>3</sup> An analysis of local conditions - such as the analysis that a public benefits-granting agency conducts - is a truer reflection of ability to pay.

USCIS’ proposal appears to require people in areas with higher costs of living - like Seattle - to submit fee waivers on the basis of financial hardship, whereas someone in Toledo, Ohio would qualify on the basis of income within 150% of the federal poverty guidelines (50% of Area Median Income in Toledo for a family of 4 is \$33,600, well under the 2018 I-912P upper limit for a family of 4 is \$37,650). We know from experience that applying for, and submitting documentation for a naturalization fee waiver based on financial hardship takes longer, and is less likely to be approved, than an income-based or public benefits based waiver.

<sup>1</sup> <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn> and see attached

<sup>2</sup> “Seattle Hits New High for Cost of Living and It’s Not Just Housing,” Seattle Times, Jan 26, 2018. <https://www.seattletimes.com/seattle-news/data/beer-burgers-and-haircuts-seattle-hits-new-high-for-cost-of-living-and-its-not-just-housing/>

<sup>3</sup> <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn> and see attached

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Rather than streamlining fee waiver analysis, the stated presumption of this rule change, the proposal would result in a significant increase in the number of complex, income or hardship-based waiver applications that would be submitted to USCIS, which, based on past performance, are more likely to be denied.

**2. The rule imposes expensive and time-consuming burdens on the lowest income, the elderly and disabled, and other non-working clients who are not required to file tax returns.**

The proposed regulation is particularly onerous for many LPRs in our state who don't work. People who don't work include the elderly, disabled and ill, students, homemakers, the retired, the short- or long- term unemployed, and youth. Applying for the income-based waiver will be inordinately difficult for people who don't earn enough money to file tax returns. Although the regulation anticipates it taking 1.17 hours to complete a fee waiver form, this is not a true estimate of the time needed to accurately complete and obtain the additional required supporting documentation proposed in the rule.

Currently at our workshops, it takes about 10 minutes to fill out a fee waiver application for someone receiving an approved means-tested benefit, because the benefits granting agency has already done the income verification. For people who have not filed tax returns, the regulation requires applicants to get a "verification of non-filing" from the IRS. However, all this does is verify that the IRS has no record of a return filed. The IRS website specifically says that it is not making a determination that filing was required or not. This extra document does not prove anything.<sup>4</sup> It is only available after June 15 for the tax year, which would severely restrict when an applicant could file for naturalization. Someone who receives means-tested benefits but doesn't earn enough money to file taxes can file at any time of year, currently. If this regulation were approved, the person wouldn't be able to file until after June, in order to obtain the Verification of Non-Filing, not to mention the other documentation required. Further, the time of year for filing for naturalization and requesting a fee waiver may not be consistent with recent tax filings or verification of income year to date. For example, filing an N-400 in March means that the tax return from the prior year isn't available yet – would USCIS accept a tax return that is nearly two years old?

<sup>4</sup> See: <https://www.irs.gov/individuals/tax-return-transcript-types-and-ways-to-order-them>, which states:

*"Verification of Non-filing Letter - provides proof that the IRS has no record of a filed Form 1040, 1040A or 1040EZ for the year you requested. It doesn't indicate whether you were required to file a return for that year. This letter is available after June 15 for the current tax year or anytime for the prior three tax years using Get Transcript Online or Form 4506-T. You must use Form 4506-T if you need a letter for tax years older than the prior three years."*



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In addition, if someone filed taxes for the last year, but they have since become unemployed, they have to submit either a 1099 for the unemployment money they received, or if they are NOT receiving unemployment, a letter of termination from their employer. Not only is this time-consuming, it doesn't provide any useful information about the person's income or inability to pay. And, it would be even more burdensome if the person hasn't worked in a long time, moved, or if their employer is no longer in business.

The regulation also specifies that someone must obtain their wage transcripts from the IRS as proof of income if a tax return was filed, or if one was not filed. Historically, USCIS has allowed submission of tax returns and accepts proof of filing the returns with evidence of taxes paid, refund received or a proof of delivery receipt. The proposed regulation fails to explain why this is insufficient such that applicants must be further burdened, along with the IRS. The government does not provide any reason as to why a transcript is preferred over a federal tax return. Tax and wage transcripts should be alternative evidence, not mandatory evidence.

Federal tax returns are uniform documents and most individuals keep copies on hand. The proposed requirement will place an additional burden on individuals for more documents and does not account for those individuals who might need assistance obtaining a transcript due to lack of access to a computer or for delays involving delivery of mail.

Obtaining a federal tax and/or wage and income transcript will also be incredibly burdensome for lower-income individuals, people who aren't fluent in English or digitally literate. According to the IRS, in order to obtain your tax and/or wage and income transcript online, you must provide:<sup>5</sup>

- your SSN, date of birth, filing status and mailing address from latest tax return,
- access to your email account,
- your personal account number from a credit card, mortgage, home equity loan, home equity line of credit or car loan, and
- a mobile phone with your name on the account.

About 80% of the applicants who attend our citizenship workshop do not have an email address. We know that the vast majority of them do not have credit cards, mortgages, or car loans either. It would be impossible for them to obtain their transcripts online. Requesting transcripts by mail is their only option, but it takes at least 5-10 days, and the IRS sends the transcript to the address from the person's most recent tax return. People who have moved since they filed taxes and also don't qualify to get their

<sup>5</sup> <https://www.irs.gov/individuals/get-transcript>

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transcripts online will be stuck unable to prove their income in the way USCIS wants to require.

The regulations state: "If you do not have any income, or cannot provide proof of your income, describe your particular situation in detail in **Part 3., Item Number 9.** [hardship section] and submit a Verification of Non-filing from the IRS. Also, *submit affidavits from religious institutions, non-profits, or community-based organizations verifying that the applicant is currently receiving some benefit or support from that entity and attesting to the applicant's financial situation.* Therefore, the regulation is essentially saying that rather than accept a letter from a government agency certifying the person is low-income (e.g., a public benefits letter), USCIS would rather get a letter from a church saying the person is low-income. The extra work defeats the purpose of the regulation when a state agency is a more reliable source of information. More likely than not, applications for benefits were signed under penalty of perjury. The information collected from religious groups or CBOs will have minimal practical utility compared to the work already done by state agencies who provide public benefits. Further, the proposed rule goes from an easily objective review (does the applicant have the public benefit - yes or no) to a subjective analysis of income or economic hardship that can vary by adjudicator, with much more unpredictable results.

An example of this extra time and expense burden likely to occur is with many Eastern Washington farm workers that we serve at our clinics. Many of them received their LPR status through legalization in the early 1990s. But because they worked long hours, or multiple jobs at low wages, many have not been able to afford the filing fees. We see lots of farm workers who suffered workplace injuries and have not been able to work in several years. They are now elderly, and many receive public benefits. Making them go back and prove when they last worked would be very burdensome, especially when they have easy access to their public benefits award letter.

In sum, the proposed collection of information is not necessary for the proper performance of the functions of the agency considering states and localities have already made income/expense and ability to pay determinations. The information will have minimal practical utility and it will not enhance the quality, utility, or clarity of the information to be collected.

**3. Other portions of the regulation are burdensome and will force otherwise qualifying means-tested waiver applicants into the more complicated economic hardship ground.**

Some people who would be eligible for a means-tested benefits-based fee waiver would be forced to apply based on hardship because they can't prove their income meets the poverty guidelines. The proposed rule demonstrates a clear preference for regions that



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have lower minimum wages and/or costs of living. For example, here in Seattle, our \$15/hour minimum wage means that a single-person household, working at minimum wage, would earn \$31,200 annually, disqualifying him or her from both the I-912 and the I-942 on the basis of income. Seattle has become the sixth costliest city in the country to live in, according to 2017 data.<sup>6</sup> (Even our local USCIS office has trouble finding personnel that can afford to live here.) Income may be higher, but expenses are significant, leaving many people with income over the poverty line but insufficient funds to pay the \$725 or even the reduced fee. This would require them to file under the more complex hardship waiver ground.

The regulation's estimate of 1.17 hours to complete a fee waiver form underestimates the true time to complete a form and get supporting evidence, especially from so many sources, and particularly for those seeking the income or hardship waiver such as the elderly, ill or disabled, or those who have no income at all.

### 4. The rule will increase processing times.

Although the proposed rule claims to "streamline and expedite fee waiver review," the regulation really creates more work for USCIS to scrutinize income and tax information due to the extra documentation required. We know from experience that it often takes two to three attempts for an income-based I-912 fee waiver to be accepted by USCIS, and not because of errors on our clients' part. Sometimes the lockbox staff do not correctly interpret the tax return, pay stubs or an explanatory cover letter about the person's change in income in any given tax year.

We have on many occasions helped our clients re-submit income-based fee waivers with no change to the documentation. The only thing we have added is a request for supervisor review, which is then subsequently approved. Means-tested benefits-based I-912 applications, on the other hand, are almost always approved the first time around. This saves the applicant months of back-and-forth with the agency, and saves USCIS staff time and postage. To remove the means-tested benefit basis of eligibility will in turn increase already long processing times to decide N-400s.<sup>7</sup> Notably, long processing times create disenfranchisement of future eligible voters.<sup>8</sup>

<sup>6</sup> "Seattle Hits New High for Cost of Living and It's Not Just Housing," Seattle Times, Jan 26, 2018. <https://www.seattletimes.com/seattle-news/data/beer-burgers-and-haircuts-seattle-hits-new-high-for-cost-of-living-and-its-not-just-housing/>

<sup>7</sup> Currently, there is a significant backlog of approximately 750,000 N-400 applications. [https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/Naturalization%20Data/N400\\_performance\\_data\\_fy2018\\_qtr3.pdf](https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/Naturalization%20Data/N400_performance_data_fy2018_qtr3.pdf); Current processing times range from four months to over 2 years depending upon the field office. <https://www.nbcnews.com/news/latino/citizenship-application-backlog-skyrocketed-under-trump-report-finds-n888146>; <https://egov.uscis.gov/processing-times/>

<sup>8</sup> National Partnership for new Americans NPNA Building a Second Wall Report, [https://drive.google.com/file/d/0B82Awla7Wla\\_RmtxM3BUZEtOcV9vdVdwVU85U2hwbHd1QmVi/view](https://drive.google.com/file/d/0B82Awla7Wla_RmtxM3BUZEtOcV9vdVdwVU85U2hwbHd1QmVi/view) and see attached

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### 5. The Proposed Regulation Would Create Similar Burdens on our Clients filing Other Applications

The rule would impose similar burdens on applicants who need to renew their green cards while they are stuck in the long N-400 processing backlogs, and for Certificates of Citizenship, among other applications.

#### **B. The Regulation is Burdensome on Community Organizations Like Ours**

##### **1. The Proposed Regulation Will Reduce Our Ability to Provide Free Legal Services**

The Washington New Americans Program (WNA) has been one of our flagship programs since 2008. Since our inception, the WNA program has been funded by the State of Washington, which shares our conviction that naturalized citizens bring significant economic and civic benefit to our state. Together with volunteer attorneys from the Washington Chapter of the American Immigration Lawyers Association (AILA-WA) and other community volunteers, we plan and organize pro bono naturalization workshops throughout Washington State. At these events our volunteers provide naturalization screening, N-400 and fee waiver application preparation, followed by quality review so that applicants can represent themselves pro se at their USCIS interviews. Since 2008, we have organized more than 100 pro se workshops in more than 20 cities, together with AILA-WA. Since then, we have become a national leader in citizenship workshops. Many other organizations across the country model their workshops after our program.

We also re-grant roughly half of our funding to 15 other legal and community organizations statewide who provide free or low-cost citizenship assistance year-round. These grantee organizations provide direct naturalization services to clients who would otherwise not be able to afford to hire a private attorney.

We collect income data for everyone we serve. More than 90% of all clients served are at or below 300% of the federal poverty line, though our program is not income-limited. The Office of Refugee and immigrant Assistance (OIRA) funds similar services, but requires that those served through their grants be the lowest-income permanent residents. Thus, WNA fills the gap, serving many who are ineligible for services through OIRA-funded programs but still unable to afford private attorneys.

In FY18, 40% of the naturalization applications we prepared at our clinics included fee waivers. 50% of those fee waiver applications were based on receipt of public benefits. Thus, WNA has the expertise to understand the impact this proposal will have on low-income naturalization applicants who receive public benefits and on the amount of time and effort it takes to prepare fee waivers. Because of time constraints involved with hardship waivers, we must refer those cases out. The proposed rule appears to make income-based waivers much more time-consuming. If we have to turn those applicants



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away as well, that increases the risk of more people not having access to quality legal services.

### **2. The rule will make it too time-consuming for organizations like ours to serve LPRs who must file under the revised income documentation requirements.**

At our workshops, it takes us about 10 minutes to complete a fee waiver based on receipt of public benefits. If clients arrive with their most recent tax return, and nothing about their income or household situation has changed, it takes us about 45 minutes to complete an I-912 fee waiver application based on an income of less than 150% of the federal poverty guideline. If they do not have their tax return, we cannot help them with their fee waiver. If someone is eligible for a fee waiver but does not bring the necessary documentation to our event, they may decide not to proceed with their application at all, knowing that they will be unable to fill out the fee waiver application on their own. They may be unable to submit the naturalization application without the fee waiver. We expect this unfortunate outcome to become more common if clients lose the option to qualify based on receiving means-tested public benefits or simpler income requirements that exist today.

In FY18, 28% of the clients who attended our naturalization workshop did not send in their applications because they couldn't afford the fee, and were either ineligible for the fee waiver or didn't bring income documentation to the workshop for us to help them prepare the income-based I-912. We expect this figure to increase under the proposed regulation if it becomes final.

Fundamentally, we serve an important need in Washington State by providing free legal services to LPRs with fairly straightforward cases who would otherwise not be able to prepare their cases alone or afford to hire private counsel. Nearly half of them cannot pay the very expensive filing fee of \$725.00 or reduced fee of \$425.00. And if we are no longer able to support them with this aspect of their application, many will find themselves barred from naturalization not due to ineligibility, but due to lack of resources

### **3. The rule creates a barrier to access to counsel.**

WNA clinics fill the gap in legal services for low-income clients. Because we aim to serve different geographies across Washington State, we hold one-day clinics in 6-10 different cities each year. Our services are designed to be delivered in one day. Eligible applicants leave our clinics with completed applications to file on their own. Demand for our services is high, but we do not have the time or resources to document income in the way the proposed regulation would require. We would end up serving fewer people, and more higher-income people. We would have to turn away the neediest people

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(those who do not earn enough to file tax returns and will need significant assistance to obtain income documentation) and refer them to other service providers even though these clients typically already cannot afford legal services. Likely they will end up not applying at all.

The fact is, applicants now more than ever need legal assistance with these complicated applications. The N-400 and other immigration applications have become longer and longer, and fees and processing times have risen dramatically. People who need our assistance in filling out the forms are especially likely to struggle with navigating the complex system of bureaucratic hurdles required to provide the proof of income or hardship, as described above, that would become a more common basis of fee waiver ineligibility under the proposed change. The proposed rule is actually a barrier to access to counsel.

### **4. It would be a significant financial burden on our program to make changes to accommodate this new rule.**

We have done a cost and task analysis to determine how we would need to change our program to accommodate this new rule. We would need to change our outreach materials, website, radio and TV template ad, and advertising in 12 languages (what to bring to the workshop), train our staff on the new rule and various forms of income documentation, change our training for volunteers, redesign sample completed forms for trainings, set a new policy to determine which clients we could help or not, and update our post-workshop instructions in 6 languages.

We would also need to allocate additional staff time for lengthier follow-up efforts after our workshops. Currently, if an applicant from one of our workshops tells us that their fee waiver was denied, it is usually for a simple reason - they forgot to sign the form, or their public benefits award letter was submitted in Spanish instead of English. It usually takes us one 15-minute phone call to figure out what the problem is and help them fix it.

However, if this change goes through, we'll need to plan on at least 2-4 additional hours of follow up for each fee waiver applicant. Given the complexity of the income documentation that USCIS wants to require, we anticipate that many of our income-based I-912s would be rejected at least once, if not twice. We will need to review the person's entire fee waiver application and what could be dozens of pages of income documentation, try to figure out the reason for the rejection and help the applicant resubmit.



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Estimated costs to OneAmerica if proposed regulation is adopted:

Item	Quantity	Cost
Staff time to update outreach materials, website, telephone scripts, advertisements, post-workshop instructions, volunteer trainings	150 hours	\$4,200
Re-translation and reprinting of affected materials (print, radio, tv ads, flyers, etc.) in 12 languages		\$4,000
Additional staff time for follow up for fee waiver issues	~291 hours. Estimating 3 hours of follow up per workshop fee waiver applicant for 97 fee waivers (the number of fee waivers we completed in FY18)	\$8,148

Overall, we anticipate this regulation change would cost us **more than \$16,348**, including 400 hours of additional staff time. This does not reflect the changes or costs we would incur if we decide to change our service delivery model (for example, if we have to run separate clinics to train applicants how to order all the IRS and other demanding information.)

### C. The Regulation is a Burden on Adjudicators

#### **1. States and localities have already done a thorough income verification when determining public benefits eligibility.**

The proposed regulation states the new form “streamlines and expedites USCIS’ review, approval or denial of the fee waiver request by laying out the most salient data and evidence necessary for the determination of inability to pay.” Removing the simplest, most objective, and easiest ground to apply, where another agency has already done the income/expense analysis, makes no sense at all in light of the burdensome requirements added to the income and hardship waiver requirements.

USCIS does not need to add to the cost and bureaucracy of processing fee waiver applications. To do yet another income verification through tax returns and

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supplemental documentation, when a state or local agency has already done this is just redundant, expensive, unnecessary work. Thus, the proposed collection is not necessary for the agency to perform its duties and it does not enhance the quality, utility or clarity of the information it needs. Furthermore, the federal rule would infringe on or ignore states' authority to determine who needs help (public benefits) based on local wages, income, cost of living and other factors.

### 2. The rule does not save U.S. taxpayers or the federal government money.

It just makes extra work for USCIS. It will cost USCIS more money to administer because of the time needed to scrutinize income-related documentation, when instead the public benefits granting agencies have already done the work for USCIS. USCIS may then use this extra needless work and expense to justify another future fee increase, which would create more, not less demand for fee waivers.

In FY2016, USCIS granted \$344,293,670 in fee waivers, but according to a Congressional Research Service report from 2015, only 1% of all immigration applications are filed with a fee waiver.<sup>9</sup> (Unfortunately, there is no data available regarding the value of fee waivers granted beyond FY16). These granted fee waivers, which make up a fraction of all immigration filings, do not seem to have prevented USCIS from raising enough revenue to cover all its adjudication activities, since the FY 2019 President's Budget transfers \$207.6 million from Immigration Examinations Fee Account (IEFA) fees to ICE to support immigration investigation and enforcement consistent with the Administration's Executive Orders.<sup>10</sup>

USCIS is almost entirely funded by application fees.<sup>11</sup> Immigration applicants and petitioners paying the full fee are subsidizing the fee waivers for lower-income applicants - not any federal appropriation. Given the long processing times, there does not appear to be a return on the filing fee investment. Further, Congress has instructed USCIS to respect the importance of naturalization, reflected in FY19 Homeland Security Bill reports mentioning that naturalization benefits the nation, must remain affordable and accessible, USCIS should continue the use of fee waivers, and reduce processing backlogs.<sup>12</sup> This regulation does just the opposite. LPRs pay taxes and thus fund the tax base that supports public benefits.

<sup>9</sup> Congressional Research Service, U.S. Citizenship and Immigration Services (USCIS) Functions and Funding, May 15, 2015, p. 12. Accessed November 26, 2018: <https://fas.org/sgp/crs/homesecc/R44038.pdf>

<sup>10</sup> USCIS Fee Waiver Policies and Data, September 27, 2017, accessed November 26, 2018: <https://www.dhs.gov/sites/default/files/publications/USCIS%20-%20Fee%20Waiver%20Policies%20and%20Data.pdf>  
Homeland Security Budget in Brief FY2019, p. 71 report/p.78 pdf, accessed November 26, 2018  
<https://www.dhs.gov/sites/default/files/publications/DHS%20BIB%202019.pdf>  
<sup>11</sup> <https://www.uscis.gov/about-us/budget-planning-performance>

<sup>12</sup> H. Rept. 115-948 - DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS BILL, 2019 115th Congress (2017-2018), p. 61:  
<https://www.congress.gov/115/crpt/hrpt948/CRPT-115hrpt948.pdf>



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with key allies.

### 3. USCIS Already Struggles to Correctly Process Income-based I-912 Fee Waivers

We regularly have to resubmit income-based fee waiver evidence two to three times in order for the fee waiver to be correctly granted. In fact, the USCIS Ombudsman notices a similar problem with adjudications of income-based i-912 waivers. From the Ombudsman's 2016 report: "The Ombudsman continues to be concerned with the adjudication and processing of fee waiver requests. USCIS is more likely to reject or deny fee waiver requests based on insufficient income despite the inclusion of credible documents, compared to those submitted based on a means-tested benefit. During stakeholder engagements, legal representatives stated they are submitting fee waiver requests three to five times for the same applicant and application before USCIS finally approves it. These processing inefficiencies discourage legal services providers, whose resources are already limited, from assisting applicants with income-based fee waivers."<sup>13</sup>

In the proposed regulation, USCIS indicates that their change will "streamline and expedite review based on collection of extensive salient data." However, USCIS's own Ombudsman refutes that, finding that income-based waivers are processed incorrectly and inefficiently. Furthermore, the Ombudsman's report also mentions that fee waiver denial notices provide insufficient guidance as to the inadequacies of the request. As a result, applicants often become discouraged and give up on the underlying applications, lacking resources to move forward without a waiver. Customers who do refile fee waiver requests do not often succeed because they do not know why the previous submission was deficient. In addition, other customers continue to submit the same application multiple times, wasting the time and resources of the applicant and USCIS.<sup>14</sup> (Please read the USCIS Ombudsman's report in footnote 14 below). This proposal will only exacerbate that situation.

### D. The Regulation Burdens Other Government Agencies

The default requirement that all applicants for income and hardship waivers MUST obtain tax transcripts and other documentation from the IRS will burden the IRS, whose budget is consistently cut. Other likely agencies to be burdened will be Social Security,

<sup>13</sup> "USCIS is expected to continue the use of fee waivers for applicants who can demonstrate an inability to pay the naturalization fee. USCIS is also encouraged to consider whether the current naturalization fee is a barrier to naturalization for those earning between 150 percent and 200 percent of the federal poverty guidelines, who are not currently eligible for a fee waiver."

"The Committee encourages USCIS to maintain naturalization fees at an affordable level while also focusing on reducing the backlog of applicants. As USCIS undertakes its next biennial fee study, the Committee urges the agency to include in its final report an estimate of the resources required to clear the backlog of applications for temporary status, adjustment of status, and naturalization, as well as reduce future wait times from the submission to initial adjudication to no more than one year for all petitions processed by the agency."

<sup>13</sup> Annual Report 2016, USCIS Ombudsman. June 29, 2016, accessed November 26, 2018:

[https://www.dhs.gov/sites/default/files/publications/CISOMB%20Annual%20Report%202016\\_2.pdf](https://www.dhs.gov/sites/default/files/publications/CISOMB%20Annual%20Report%202016_2.pdf)

<sup>14</sup> [https://www.dhs.gov/sites/default/files/publications/CISOMB%20Annual%20Report%202016\\_2.pdf](https://www.dhs.gov/sites/default/files/publications/CISOMB%20Annual%20Report%202016_2.pdf)

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advances the  
fundamental  
principles of  
democracy and  
justice at the  
local, state and  
national levels  
by building  
power within  
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state unemployment agencies, the Veterans Administration, courts, child welfare agencies, not to mention banks, religious organizations, social service organizations, and employers.

The proposed regulation estimates the annual public burden to be 409,650 hours costing \$1,312,980. We believe these figures substantially underestimate the public burden on time and cost needed to comply by applicants, agencies, assistance providers, and our communities.

#### E. The Regulation Burdens American Citizens and Our Communities

1. **People who receive public benefits and later file for naturalization and become US citizens are more likely to obtain higher earning jobs, complete education, have access to more resources, pay higher taxes, and contribute to their communities.**

We should not penalize permanent residents who have received public benefits that they are entitled to receive. This rule instead continues the cycle of poverty if residents cannot become US citizens simply because they cannot afford to apply. The reality is that low-income immigrants are better able to improve their financial status through naturalization. New citizens gain access to better jobs and educational opportunities.<sup>15</sup> Limiting access to naturalization for low income people fosters inequality in the USA.<sup>16</sup> Further, naturalized citizens are LESS likely to use SNAP, TANF and other programs in the future.<sup>17</sup> *(Please read the research linked below in Footnotes 11-15).*

Controlling for all other factors, naturalized citizens are more likely to access higher education, become homeowners and business owners, and earn higher wages, than their non-naturalized foreign-born peers.<sup>18</sup> Naturalization, on average, accounts for an 8-11% increase in wages, which results in higher spending and state and local taxes paid. Naturalization makes people less likely to need public benefits, but, perversely, not allowing applicants to use proof of public benefits to qualify for the fee waiver will make them less likely to be able to naturalize and get off public benefits.

<sup>15</sup> Urban Institute, The Economic Impact of Naturalization on Immigrants and Cities, 12/2015 <https://www.urban.org/sites/default/files/publication/76241/2000549-The-Economic-Impact-of-Naturalization-on-Immigrants-and-Cities.pdf>; Americas Society/Counsel of the Americas, Get the Facts: Five Ways Naturalized Citizens Contribute to the Economy, 9/10/2014 <https://www.as-coa.org/sites/default/files/ImmigrantsCitizenshipFacts.pdf>; Center for the Study of Immigrant Integration, USC, Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy, 12/2012, [https://dornsife.usc.edu/assets/sites/731/docs/citizen\\_gain\\_web.pdf](https://dornsife.usc.edu/assets/sites/731/docs/citizen_gain_web.pdf)

<sup>16</sup> Immigration Policy Lab, Lifting Barriers to Citizenship, 01/2018, [http://newamericascampaign.org/wp-content/uploads/2017/05/IPL\\_NaturalizeNY\\_Research-Brief.pdf](http://newamericascampaign.org/wp-content/uploads/2017/05/IPL_NaturalizeNY_Research-Brief.pdf); Scholars Strategy Network, How Barriers to Citizenship Status Increase Inequality in the United States, 5/15/2015 <https://scholars.org/brief/how-barriers-citizenship-status-increase-inequality-united-states>

<sup>17</sup> Cato Institute, Immigration and the Welfare State: Immigrant and Native Use Rates and Benefit Levels for Means-Tested Welfare and Entitlement Programs, 5/10/2018, <https://www.cato.org/publications/immigration-research-policy-brief/immigration-welfare-state-immigrant-native-use-rates>

<sup>18</sup> Center for the Study of Immigrant Integration, USC, Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy, 12/2012, [https://dornsife.usc.edu/assets/sites/731/docs/citizen\\_gain\\_web.pdf](https://dornsife.usc.edu/assets/sites/731/docs/citizen_gain_web.pdf)



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justice at the  
local, state and  
national levels  
by building  
power within  
immigrant  
communities  
in collaboration  
with key allies.

### 2. Inability to naturalize makes family unification less likely and weakens families.

When someone cannot naturalize, he or she cannot improve their situation and then sponsor relatives. The family unit is the best predictor of economic and social success, and assimilation in America. Naturalization applicants who take the English and civics test are more easily able to integrate into American society and to become actively engaged in their communities. The proposed regulation, if in effect, would have the high likelihood of deterring more than 300,000 fee waiver applicants, and, thus, a substantial amount of citizenship applicants in total. This deterrent effect would also block individuals, as well as entire communities, from the benefits associated with naturalization.<sup>19</sup> This rule, combined with the proposed public charge rule, does nothing to lift up communities and is merely an assault on the poor. We need more naturalized citizens, not fewer. Their contributions benefit all Americans.

### III. CONCLUSION

American values should mean equal access to immigration and citizenship benefits regardless of wealth. This rule violates that value as well as our organization's mission to promote justice, fairness and due process, including access to counsel for permanent residents seeking to become US citizens. The rule is clearly designed to reduce legal immigration and naturalization, and disenfranchises eligible future voters, objectives we strongly oppose.

Sincerely,

Rich Stolz, Executive Director



<sup>19</sup> "America is Home: How Individuals, Families, Cities & Counties Benefit by Investing in Citizenship," Cities for Citizenship, 11-13, September 2018, <http://populardemocracy.org/sites/default/files/C4C%20CPD%20NPNA%20America%20is%20Home%20Report%209-12-18%20FINAL.pdf>



# FY 2018 INCOME LIMITS DOCUMENTATION SYSTEM

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## FY 2018 Income Limits Summary

**Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.**

FY 2018 Income Limit Area	Median Family Income  <a href="#">Explanation</a>	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Seattle-Bellevue, WA HUD Metro FMR Area</b>	\$103,400	Very Low (50%) Income Limits (\$) <a href="#">Explanation</a>	37,450	42,800	48,150	<b>53,500</b>	57,800	62,100	66,350	70,650
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	22,500	25,700	28,900	<b>32,100</b>	34,700	37,250	39,850	42,400
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	56,200	64,200	72,250	<b>80,250</b>	86,700	93,100	99,550	105,950

**NOTE:** HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Seattle-Bellevue, WA HUD Metro FMR Area**.

The **Seattle-Bellevue, WA HUD Metro FMR Area** contains the following areas: King County, WA; and Snohomish County, WA.

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2018 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2018 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see here:

FY2017 Median Family Income and Income Limits for Seattle-Bellevue, WA HUD Metro FMR Area

Select another FY 2018 HMFA Income Limit area that is a part of the **Seattle-Tacoma-Bellevue, WA MSA**

Tacoma, WA HUD Metro FMR Area ▼

Select HMFA Income Limits Area

Select any FY2018 HUD Metropolitan FMR Area's Income Limits:

Seattle-Bellevue, WA HUD Metro FMR Area

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## Data

**Gene Balk / FYI Guy**

# Beer, burgers and haircuts: Seattle hits new high for cost of living, and it's not just housing




Originally published January 26, 2018 at 6:00 am Updated January 27, 2018 at 6:02 pm



(Illustration by Gabriel Campanario / The Seattle Times)

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**The city of Seattle ranks in the top 10 for a slew of goods and services: bread, sugar, cooking oil, telephone service, gasoline, dental visits, wine, frozen corn — even tennis balls.**

By [Gene Balk / FYI Guy](#)  

*Seattle Times columnist*

It's not just housing that's driving the high cost of living in Seattle. *Everything* is expensive here.

That point is hammered home in the latest release of the Cost of Living Index. Seattle hit a record-high score of 152.8 for the third quarter of 2017, which means that it costs 52.8 percent more to live in Seattle than the average for the 267 places included in the survey.



With that score, Seattle ranks as the sixth most expensive place in the U.S. to live, also a record for the city. Seattle first appeared in the top 10 in 2016, and has now spent three consecutive quarters on that list.

Seattle's rise has even caught the eye of the folks who produce the Cost of Living Index.

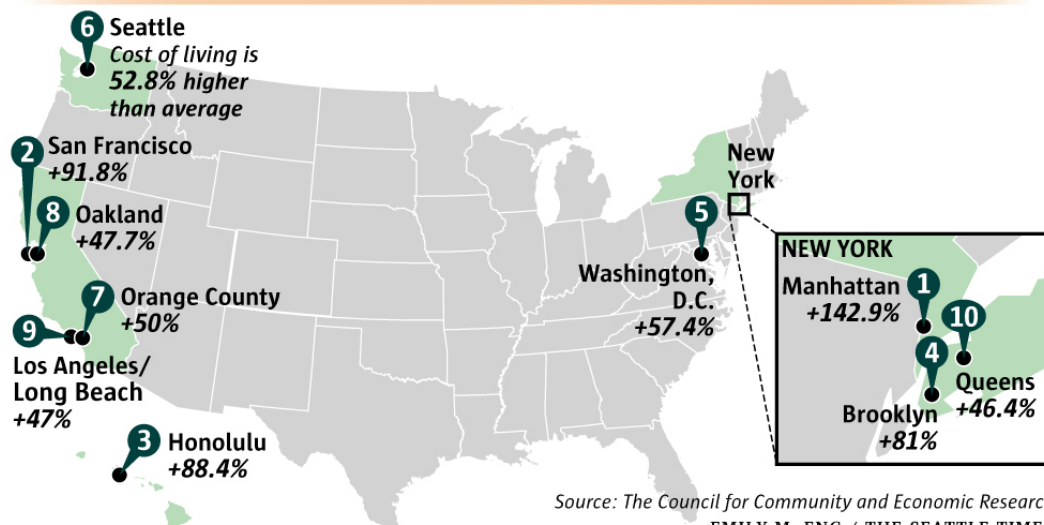
"We noticed it," said Jennie Allison, program manager for the Arlington, Virginia-based [Center for Regional Economic Competitiveness](#), a nonprofit research and policy organization which publishes the index each quarter. "I've had a few conversations with people about Seattle's increased cost of living over the past couple years."

The Cost of Living Index, which has produced these city-to-city cost comparisons since 1968, collects data on prices for more than 60 goods and services. These are grouped into six major categories: housing, health care, transportation, utilities, grocery items and miscellaneous goods and services.

### Cost of living hits new high in Seattle

Seattle now ranks as the sixth most expensive place in the U.S., according to the Cost of Living Index for the third quarter 2017. Consumer goods and services in Seattle cost 52.8 percent higher than the average for the 267 urban areas included in the index.

#### RANKINGS BY COST OF LIVING INDEX



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And here's the kicker: Of those six categories, housing costs is where Seattle ranks the *lowest*.

We place 14th out of 267 cities for the housing index, which is calculated from a combination of both home-ownership costs and apartment rents. While 14th is high, we're in the top 10 for all the other categories except utilities, for which we rank 12th.

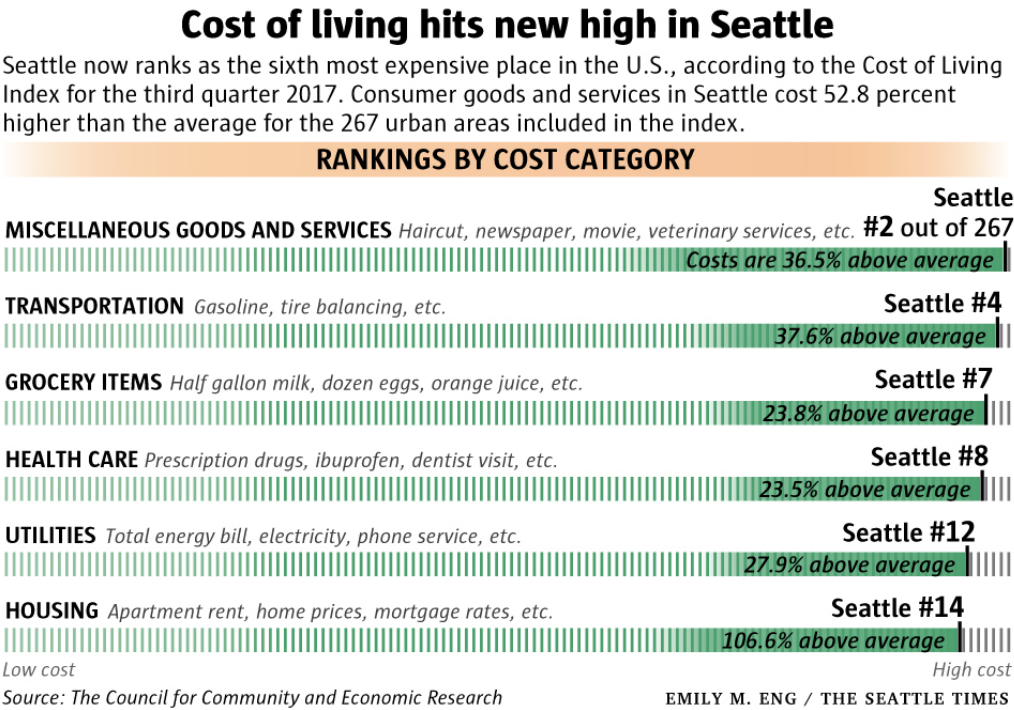
That said, our index score for housing is 206.6, which is the highest of any category. That score means that housing in Seattle is 106.6 percent higher than average, or slightly more than double. You'd think housing costs like that would rank us higher than 14th. The reason it doesn't is because there are a bunch of other places with even crazier home and rental markets than ours, including various parts of New York City, California, the Washington, D.C., area and Honolulu. In Manhattan, housing costs are more than five times higher than average.

But Seattle is the most expensive city in the country for a number of survey items, including hamburgers, dry cleaning and haircuts, which average \$31 here (compare that with Harlingen, Tex., where a visit to the barber will set you back just \$6, on average). We rank in the top 10 for a slew of others, including T-bone steak, bread, sugar, cooking oil, telephone service, gasoline, dental visits, beer, wine, frozen corn — even tennis balls. Apartment rent is also in the top 10, unsurprisingly.

There are still some bargains to be had here, but it's a very short list. We have the ninth-lowest price for potatoes, and the 10th-best mortgage rates (for the lucky few who can afford to buy a house).

The items included in the survey may seem to have a randomness about them, but they are meant to be indicators of broader consumer costs, Allison says.

For example, if it costs a lot more than average to get your car tires balanced in your city, it follows that other automobile maintenance and repair services are probably also on the expensive side. In Seattle, tire balancing averages \$69, which ranks fourth highest.



“We have individual researchers in each city that collect the data for us,” Allison said. “For a city like Seattle, there’s 10 samples for each of these items. There are a few items, like say movies — there are some places that don’t have 10 movie theaters, so you price as many as you can.”

All the researchers in each location collect their data during the same three-day period each quarter. They’re not hunting for bargains, either. Researchers are instructed to scout for prices with the mindset of a person in a professional or managerial occupation.

The Cost of Living Index has remained remarkably consistent over its 50-year history, but some changes are planned moving forward. Landline telephones, which have been included in the survey since the start, will be replaced with local wireless taxes and fees.

“It was pretty outdated,” Allison said. “We figured in time for the 50th anniversary, we should have an item update to reflect how our money is spent.”

There’s one more major change being made for 2018. Bowling will be retired from the survey.

“We’ll be pricing yoga instead,” Allison said.

*Correction: A previous version of this story incorrectly stated that T-bone steaks were more expensive in Seattle than in any other U.S. city. Cleveland holds the most-expensive-steak title, and Seattle is second.*

**Gene Balk / FYI Guy:** [gbalk@seattletimes.com](mailto:gbalk@seattletimes.com); on Twitter: [@genebalk](https://twitter.com/genebalk).

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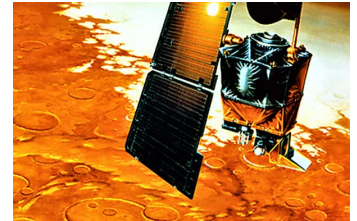
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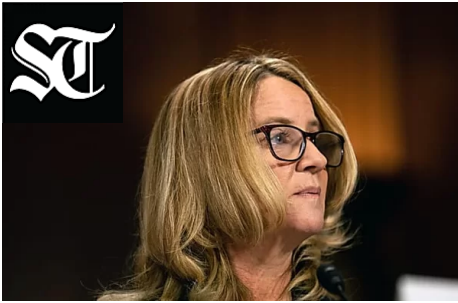
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## FY 2018 Income Limits Summary

**Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.**

FY 2018 Income Limit Area	Median Family Income  <a href="#">Explanation</a>	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Toledo, OH MSA</b>	\$67,200	Very Low (50%) Income Limits (\$)  <a href="#">Explanation</a>	23,550	26,900	30,250	<b>33,600</b>	36,300	39,000	41,700	44,400
		Extremely Low Income Limits (\$)*  <a href="#">Explanation</a>	14,150	16,460	20,780	<b>25,100</b>	29,420	33,740	38,060	42,380
		Low (80%) Income Limits (\$)  <a href="#">Explanation</a>	37,650	43,000	48,400	<b>53,750</b>	58,050	62,350	66,650	70,950

The **Toledo, OH MSA** contains the following areas: Fulton County, OH; Lucas County, OH; and Wood County, OH.

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services \(HHS\)](#), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2018 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2018 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see [here](#):

Select any FY2018 HUD Metropolitan FMR Area's  
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Toledo, OH MSA ▼

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*Page Last Reviewed or Updated: 17-Jul-2018*

# U.S. Citizenship and Immigration Services (USCIS) Functions and Funding

**William A. Kandel**

Analyst in Immigration Policy

May 15, 2015

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R44038

## Summary

U.S. Citizenship and Immigration Services (USCIS), an agency within the Department of Homeland Security (DHS), performs multiple functions including the adjudication of immigration and naturalization petitions, consideration of refugee and asylum claims and related humanitarian and international concerns, and a range of immigration-related services, such as issuing employment authorizations and processing nonimmigrant change-of-status petitions. Processing immigrant petitions remains USCIS's leading function. In FY2014, it handled roughly 6 million petitions for immigration-related services and benefits.

USCIS's budget relies largely on user fees. The agency and its predecessor, the former Immigration and Naturalization Service (INS), have had the legal authority to charge fees for immigration services since before the passage of the Immigration and Nationality Act of 1952 (INA). In 1988, Congress created the Immigration Examinations Fee Account, which made the portion of USCIS's budget collected from user fees no longer subject to annual congressional approval.

Since the President announced the Immigration Accountability Executive Action on November 20, 2014, USCIS's budgetary structure has received increased attention. Among other provisions, the executive action included an expansion of the existing Deferred Action for Childhood Arrivals (DACA) program that was initiated in 2012, as well as a new Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) program that grants certain unauthorized aliens protection from removal, and work authorization, for three years. If implemented, these programs would require applicants to submit petitions and pay a user fee to USCIS. The user fees would purportedly pay for the cost of administering the program.

Some in Congress oppose deferred action programs. However, Congress has limited options for halting the programs using the annual appropriations process. The executive action highlights some challenges Congress faces if it wishes to exert control over an agency whose funding is largely independent of the annual appropriations process. To alter existing statutory provisions governing the collection of user fees in the Immigration Examinations Fee Account, the availability of user fees for expenditure, or their prohibited use for certain purposes would require an enactment of law.

Congress does appropriate a small portion of the agency's budget each year, primarily to fund E-Verify, a system used to electronically confirm that individuals have proper authorization to work in the United States. Since 2003, such annual direct appropriations have constituted a declining portion of USCIS's budget. While some have welcomed this trend for reducing the cost to U.S. taxpayers of running USCIS, others have voiced concerns over the limitations on congressional oversight it reflects. Some contend that such budget independence also makes the agency less responsive to the need for affordable user fees and timely and effective customer service.

Potential issues that Congress may decide to consider include USCIS's accountability to Congress, given that much of its funding does not require annual congressional approval; whether some fees are at levels that inhibit some potential applicants from applying for benefits or inhibit lawful permanent residents from becoming citizens; whether the pace and progress of information technology modernization is sufficient to meet the agency's multiple functions and efficiently serve petitioners; and whether USCIS's management of its personnel and resources adequately

addresses sudden demands for processing and adjudication of petitions while maintaining processing times and adequate levels of service for all other petitions.



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## Introduction

U.S. Citizenship and Immigration Services (USCIS), an agency within the Department of Homeland Security (DHS), performs multiple functions including the adjudication of immigration and naturalization petitions and refugee and asylum claims, as well as other immigration-related services. USCIS currently funds over 95% of its budget by charging user fees to petitioners for its services. The agency and its predecessor, the former Immigration and Naturalization Service (INS), have had the legal authority to do so since at least the passage of the Immigration and Nationality Act of 1952 (INA).<sup>1</sup> In 1988, Congress created the Immigration Examinations Fee Account, which made the portion of USCIS's budget collected from user fees no longer subject to annual congressional approval.<sup>2</sup>

This budgetary structure has attracted congressional attention as the result of President Obama's recent executive action on immigration.<sup>3</sup> Among its other provisions, the action would expand the current use of deferred action<sup>4</sup> that some estimate could affect up to 5 million unauthorized aliens living in the United States.<sup>5</sup> USCIS would process all new deferred action petitions, the cost of which would be paid for through user fees.<sup>6</sup> Some Members of Congress oppose the executive action, particularly its expansion of existing deferred action provisions.<sup>7</sup> However, because USCIS's funding is largely independent of the annual appropriations process, Congress cannot use that process to halt the deferred action programs contained in the President's executive action. If Congress wanted to alter existing statutory provisions governing the collection of user fees in

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<sup>1</sup> P.L. 82-414, §281.

<sup>2</sup> P.L. 100-459, §209.

<sup>3</sup> See CRS Report R43852, *The President's Immigration Accountability Executive Action of November 20, 2014: Overview and Issues*, coordinated by William A. Kandel.

<sup>4</sup> Deferred action is a use of prosecutorial discretion to defer the removal against an unauthorized alien for a certain period of time. Deferred action does not provide lawful status. In 2012, in the absence of congressional action on DREAM Act legislation, DHS issued a memorandum announcing that certain unauthorized individuals who were brought to the United States as children and met other criteria would be considered on a case-by-case basis for deferred action from removal for two years. For more information, see CRS Report R43747, *Deferred Action for Childhood Arrivals (DACA): Frequently Asked Questions*, by Andorra Bruno.

<sup>5</sup> See, for example, Migration Policy Institute, "MPI: As Many as 3.7 Million Unauthorized Immigrants Could Get Relief from Deportation under Anticipated New Deferred Action Program; With Existing DACA Program Included, Anticipated Actions Could Benefit More than 5.2 Million in Total—Nearly Half of U.S. Unauthorized Population," press release, November 19, 2014.

<sup>6</sup> According to the Office of Management and Budget (OMB), the term "user fee" applies to "fees, charges, and assessments the Government levies on a class directly benefitting from, or subject to regulation by, a Government program or activity, to be utilized solely to support the program or activity." See OMB, *Budget of the U.S. Government, FY2000, Analytical Perspectives* (Washington: 2009), "User Charges and Other Collections," chapter 18, pp. 271-285.

<sup>7</sup> In addition to expanding the current DACA program, the President's executive action would create a new Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) program. DAPA would allow parents of U.S. citizens and lawful permanent residents (LPRs) to request deferred action and employment authorization if they meet residency and other criteria and pass required background checks. As of this writing, the deferred action programs of the President's executive action have been temporarily enjoined. See CRS Legal Sidebar, *Federal District Court Bars Implementation of the Obama Administration's Latest Deferred Action Initiatives (Part 1): States' Standing to Challenge the Initiatives*, February 18, 2015, by Kate M. Manuel; and CRS Legal Sidebar, *Federal District Court Bars Implementation of the Obama Administration's Latest Deferred Action Initiatives (Part 2): Reviewability and Rulemaking under the APA*, February 18, 2015, by Kate M. Manuel.

the Immigration Examinations Fee Account, the availability of user fees for expenditure, or the prohibition of user fees for certain purposes, it would need to enact legislation.

Apart from the agency's accountability to Congress, other issues may merit congressional attention. These include the agency's capacity to handle surges in application volume while maintaining stable service levels for the rest of its caseload; whether the underlying reasoning used to establish petition fees continues to be appropriate; whether current fees are at a level where they may be affecting or altering both the pool of applicants who apply for benefits and the pool of lawful permanent residents who decide to naturalize; and the pace and progress of information technology modernization within an agency that remains reliant upon paper copies of petitions and documents.

This report begins with a brief overview of USCIS functions. It then describes the agency's budgetary structure, including its three primary fee accounts for processing user fees. It discusses how the agency calculates user fees for particular immigration services and benefits. The report closes with a discussion of issues for Congress.

## USCIS Functions

USCIS was established with the Homeland Security Act of 2002 and assumed responsibility for the immigration service functions of the federal government on March 1, 2003.<sup>8</sup> USCIS has over 200 offices around the world and employs roughly 19,000 employees and contractors within four directorates<sup>9</sup> and nine program offices.<sup>10</sup> Processing petitions and applications, which is most of the agency's workload, occurs in four major USCIS Service Centers and 83 Field Offices in the United States, Puerto Rico, and Guam.<sup>11</sup>

## Responsibilities

Three major activities dominate USCIS functions: adjudication of immigration petitions,<sup>12</sup> adjudication of naturalization petitions, and consideration of refugee and asylum claims and related humanitarian and international concerns. USCIS also provides a range of immigration-related services, such as employment authorizations and change-of-status petitions.<sup>13</sup> While most costs are directly related to the agency's processing functions, other costs, such as administrative

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<sup>8</sup> P.L. 107-296. The act abolished the former INS and placed its functions under three new agencies: USCIS, Customs and Border Protection (CBP), and Immigration and Customs Enforcement (ICE).

<sup>9</sup> These include Customer Service and Public Engagement; Field Operations; Fraud Detection and National Security; and Refugee, Asylum, and International Operations.

<sup>10</sup> These include the Administrative Appeals Office, Lockbox Intake, Office of Citizenship, Office of Communications, Office of Legislative Affairs, Office of Privacy, Office of Transformation and Coordination, and Systematic Alien Verification for Entitlements (SAVE) program.

<sup>11</sup> For information on the petitions that are handled at each Service Center and Field Office, see <https://egov.uscis.gov/cris/processTimesDisplayInit.do>.

<sup>12</sup> See **Appendix B** for a detailed list of petition types.

<sup>13</sup> Immigration-related services in this report refer to the full range of services, benefits, and adjudications performed by USCIS in the course of processing immigrant applications.

overhead, support these functions indirectly.<sup>14</sup> Of the activities listed below, only humanitarian functions generally have no associated fee.

**Immigration Adjudication:** USCIS processes roughly 6 million petitions each year, including about 1 million for permanent status and 5 million for temporary nonimmigrant<sup>15</sup> status. USCIS adjudicators determine the eligibility of immediate relatives and other family members of U.S. citizens and lawful permanent residents (LPRs),<sup>16</sup> employees that U.S. businesses have demonstrated that they need (and their immediate family members); and other foreign nationals who meet specified criteria. They also must determine whether a foreign national in the United States on a temporary visa (i.e., a nonimmigrant) is eligible to change to another nonimmigrant status or adjust to LPR status.<sup>17</sup>

**Work Authorization:** USCIS adjudicates work authorizations for aliens who meet certain conditions.<sup>18</sup>

**Employment Verification:** USCIS is responsible for the Electronic Employment Eligibility Verification (E-Verify) program used by employers to ensure that their employees possess lawful status to work in the United States.<sup>19</sup> Since FY2007, congressional appropriations have supported the E-Verify program.

**International Services:** The USCIS Office of International Affairs adjudicates refugee<sup>20</sup> applications and conducts background and record checks related to some immigrant petitions abroad.<sup>21</sup> The largest component of this program is the asylum officer corps, a small but occasionally high-profile part of USCIS's workload, whose members interview and screen asylum applicants.<sup>22</sup>

**Fraud Detection and National Security:** USCIS must confirm that all applicants are eligible for the particular immigration status they are seeking, or alternatively, determine they should be rejected because they fail to meet other legal requirements.<sup>23</sup> USCIS established the Office of

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<sup>14</sup> For an analysis of the USCIS budget, see CRS Report R43796, *Department of Homeland Security: FY2015 Appropriations*, coordinated by William L. Painter.

<sup>15</sup> A nonimmigrant is a foreign national who seeks temporary entry to the United States for a specific purpose and a delimited amount of time. Nonimmigrant classifications include foreign government officials, visitors, students, and temporary workers. For more information, see archived CRS Report RL31381, *U.S. Immigration Policy on Temporary Admissions*, by Ruth Ellen Wasem.

<sup>16</sup> A lawful permanent resident is a foreign national who has been granted authorization to live and work permanently in the United States. In this report, "immigrant" is synonymous with "lawful permanent resident."

<sup>17</sup> See CRS Report R42866, *Permanent Legal Immigration to the United States: Policy Overview*, by William A. Kandel.

<sup>18</sup> For more information, see CRS Report R40446, *Electronic Employment Eligibility Verification*, by Andorra Bruno.

<sup>19</sup> Ibid.

<sup>20</sup> A refugee is a person fleeing his or her country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. For more information, see CRS Report RL31269, *Refugee Admissions and Resettlement Policy*, by Andorra Bruno.

<sup>21</sup> See Ibid and archived CRS Report RL32621, *U.S. Immigration Policy on Asylum Seekers*, by Ruth Ellen Wasem.

<sup>22</sup> A person seeking asylum is applying for protection from persecution for the same reasons as a refugee but, unlike a refugee, is present in the United States. For more information, see Ibid.

<sup>23</sup> See archived CRS Report RL34007, *Immigration Fraud: Policies, Investigations, and Issues*, by Ruth Ellen Wasem; and archived CRS Report R41104, *Immigration Visa Issuances and Grounds for Exclusion: Policy and Trends*, by Ruth Ellen Wasem.

Fraud Detection and National Security at the agency's inception in 2003 to work with the appropriate law enforcement entities to handle foreign nationals whose applications and petitions trigger national security and criminal database notifications and to identify systemic fraud in the application process. Many such duties formerly performed by the INS enforcement arm are now the responsibility of DHS's Immigration and Customs Enforcement (ICE).

**Civic Integration:** USCIS promotes instruction and training on citizenship rights and responsibilities and provides immigrants with the information and tools necessary to successfully integrate into American civic culture. This includes maintaining a Citizenship Resource Center website and managing the Immigrant Integration Grants Program, which assists public or private nonprofit organizations that provide citizenship instruction and naturalization application services to LPRs.<sup>24</sup>

**Naturalization:** USCIS is responsible for naturalization, a process that grants U.S. citizenship to LPRs who fulfill the related requirements established by Congress in the Immigration and Nationality Act of 1952 (INA).<sup>25</sup> Adjudicators must determine whether aliens have continuously resided in the United States for a specified period; possess good moral character, are able to read, write, speak, and understand English; and possess a basic knowledge of U.S. civics and history.

## Operations and Processing Workload

USCIS's workload can fluctuate considerably from year to year. To facilitate planning, USCIS regularly projects total application workload volume and associated user fees based on which applicants pay fees or receive exemptions.<sup>26</sup> While USCIS makes such projections by using modeling techniques and by anticipating filing trends and events that may influence volume, the agency's final tallies are influenced by factors such as shifts in U.S. immigration policy, the economy, and international political events, all of which can affect the decisions of people abroad who consider immigrating to the United States.

USCIS continues to process petitions in a paper-based form. This mode of operation generates complaints of lost files. Many observers comment that it is entirely outmoded to meet the growing workload and challenges facing the agency. Since 2008, USCIS has been implementing a long-term project to modernize its systems and processes in an effort to improve information sharing, workload capacity, and system integrity (see "**IT Modernization and Client Service**" below). Referred to as the USCIS Transformation, the project is expected to transition the paper-based system to a digital format managed and accessed online by USCIS and users.<sup>27</sup>

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<sup>24</sup> USCIS operates two websites with information on both programs: <http://www.uscis.gov/citizenship> and <http://www.uscis.gov/about-us/citizenship-and-integration-grant-program>.

<sup>25</sup> See CRS Report R43366, *U.S. Naturalization Policy*, by William A. Kandel.

<sup>26</sup> See U.S. Department of Homeland Security, Office of the Inspector General, *U.S. Citizenship and Immigration Services Information Technology Management Progress and Challenges*, OIG-14-112, July 2014.

<sup>27</sup> According to USCIS, "Transformation is an enterprise-wide investment that will transition USCIS from a fragmented, paper-based operational environment to a paperless, centralized, and consolidated environment, utilizing electronic processing for benefits filing and adjudication that will ensure national security and integrity, customer service, operational efficiency, and quality in immigration benefit decisions." U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, *Fiscal Year 2016 Congressional Budget Justifications*, p. 3357.



## USCIS Funding

Over two decades ago, the budgetary structure of USCIS's predecessor agency, the former INS, was transformed when the Immigration Examinations Fee Account (IEFA) was created to fund the agency's activities and operations.<sup>28</sup> Since the creation of USCIS in 2003, the agency has been largely dependent upon fees to fund its operations. The agency has two other smaller accounts described below that were created to receive monies to support specific purposes both within and outside USCIS: the H-1B Non-Immigrant Petitioner Fee Account and the H-1B<sup>29</sup> and L<sup>30</sup> Fraud Prevention and Detection Fee Account.<sup>31</sup> USCIS also receives a small portion of its budget through appropriations.

## Appropriations

USCIS receives direct appropriations through the annual DHS appropriations process. In earlier years, appropriations funded temporary special projects such as backlog reduction.<sup>32</sup> More recently, appropriations have exclusively funded E-Verify and immigrant integration grants.<sup>33</sup> (See **Appendix A** for a brief history of USCIS fee-funding.) In FY2014, direct appropriations constituted less than 4% of USCIS's budget (**Figure 1**).

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<sup>28</sup> INA §286(m), 8 U.S.C. §1356(m). The Immigration Examinations Fee Account was established by the FY1989 Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, P.L. 100-459 (1988); it was amended the following fiscal year to fund all immigration adjudication activities by the FY1990 Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, P.L. 101-162; the H-1B Non-Immigrant Petitioner Fee Account was established by P.L. 105-277, §414 (1998); and the H-1B and L Fraud Prevention and Detection Fee Account was authorized by P.L. 108-447, div. J, title IV §426 (2004).

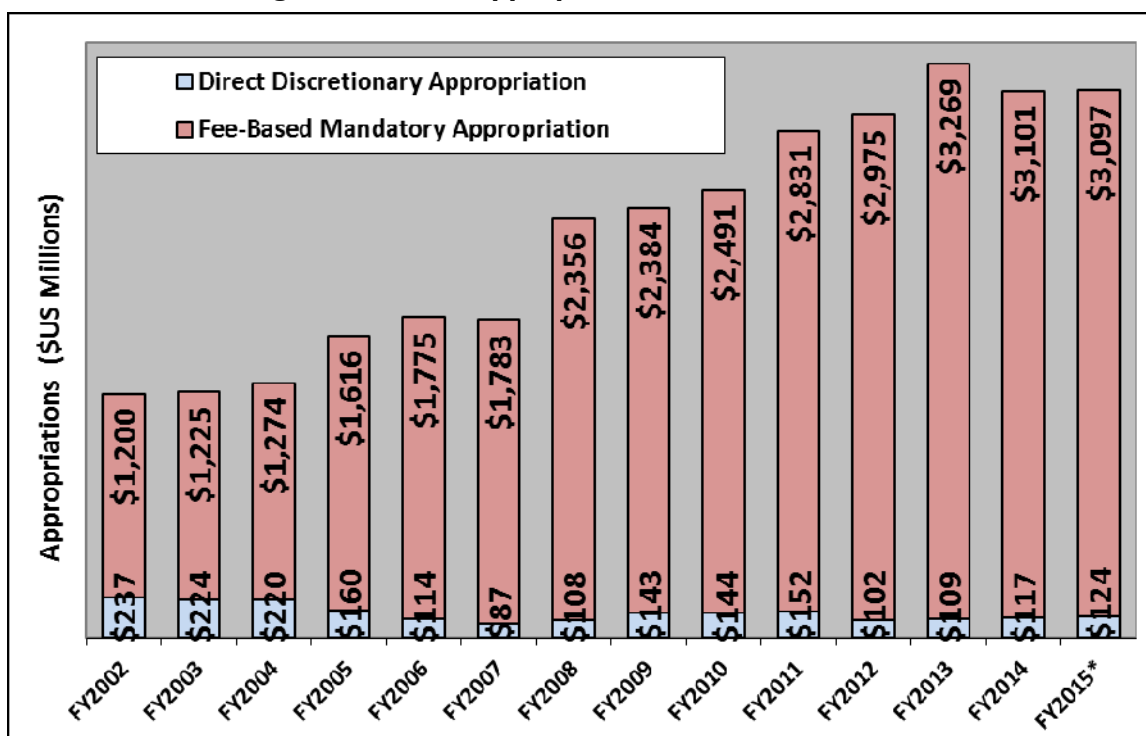
<sup>29</sup> H-1B visas are for temporary "professional specialty workers," an employment category closely associated with science, technology, engineering, and mathematics (STEM) fields, but not limited to them. For more information, see CRS Report R43735, *Temporary Professional, Managerial, and Skilled Foreign Workers: Policy and Trends*, by Alison Siskin and Ruth Ellen Wasem.

<sup>30</sup> The L visa allows a U.S. employer to transfer an executive or manager from one of its affiliated foreign offices to one of its offices in the United States. This classification also enables a foreign company that does not yet have an affiliated U.S. office to send an executive or manager to the United States with the purpose of establishing one. For more information, see *Ibid.*

<sup>31</sup> For more information on immigration fraud, see archived CRS Report RL34007, *Immigration Fraud: Policies, Investigations, and Issues*, by Ruth Ellen Wasem.

<sup>32</sup> For example, the Backlog Reduction Initiative of FY2005 sought to attain a six-month processing time standard for all immigration benefit applications by FY2006. See DHS, U.S. Citizenship and Immigration Services, *Fact Sheet*, February 2, 2004. See also <http://www.uscis.gov/tools/reports-studies/backlog-elimination>.

<sup>33</sup> CRS Report R43796, *Department of Homeland Security: FY2015 Appropriations*, coordinated by William L. Painter.

**Figure I. USCIS Appropriations, FY2002-FY2015\***

**Source: FY2002-FY2014:** CRS presentation of *actual* figures from DHS Budget in Brief and Budget Justifications, FY2003 through FY2015; **FY2015\*:** *enacted* figures from P.L. 114-4 (The Department of Homeland Security Appropriations Act, 2015).

## Immigration Examination Fee Account

USCIS funds the processing and adjudication of immigrant, nonimmigrant, refugee, asylum, and citizenship benefits through its user fees deposited into the Immigration Examination Fee Account (IEFA).<sup>34</sup> This account is not subject to annual congressional approval. The INA states that user fees be set at a level that ensures recovery of the full costs of providing adjudication and naturalization services, including similar services to those people who are not charged, such as asylum applicants.<sup>35</sup> User fees can also be set at levels to cover “costs associated with the administration of the fees collected.”<sup>36</sup>

<sup>34</sup> In addition to user fees directly related to USCIS adjudications, USCIS also collects user fees for costs associated with processing some petitions initially submitted to the Executive Office of Immigration Review (EOIR). These fees are deposited into the IEFA pursuant to the statutory requirement that all fees for adjudications be deposited in that account. Each fiscal year since FY2008, \$4 million has been transferred from the IEFA to the Department of Justice-Administrative Review and Appeals Account that funds EOIR pursuant to appropriations provisions.

<sup>35</sup> INA §286(m), 8 U.S.C. §1356(m).

<sup>36</sup> *Ibid.* The provision states: “Notwithstanding any other provisions of law, all adjudication fees as are designated by the Attorney General in regulations shall be deposited as offsetting receipts into a separate account entitled “Immigration Examinations Fee Account” in the Treasury of the United States, whether collected directly by the Attorney General or through clerks of courts: Provided, however, that all fees received by the Attorney General from applicants residing in the Virgin Islands of the United States, and in Guam, under this subsection shall be paid over to the treasury of the Virgin Islands and to the treasury of Guam: Provided further, that fees for providing adjudication and naturalization services may be set at a level that will ensure recovery of the full costs of providing all such services, (continued...) ”

Further, the INA provides that deposited funds remain available until expended “for expenses in providing immigration adjudication and naturalization services and the collection, safeguarding and accounting for fees deposited in and funds reimbursed from the ‘Immigration Examinations Fee Account.’”<sup>37</sup> As such, the authority to set user fee levels and expend user fees is controlled outside the annual appropriations process and does not depend on annual action by Congress.

## **H-1B Nonimmigrant Petitioner Fee Account**

In 1998, Congress passed the American Competitiveness and Workforce Improvement Act (ACWIA),<sup>38</sup> which, among other provisions, temporarily increased the number of temporary skilled H-1B workers admitted to the United States. To provide training for American workers and thus reduce employer reliance on nonimmigrant workers, the act established the H-1B Nonimmigrant Petitioner Fee Account to fund training and education programs administered by the Department of Labor and the National Science Foundation, thereby establishing an affirmative role for U.S. employers to assist with education and training efforts for U.S. workers. The statutorily set H-1B Nonimmigrant Petitioner Fee is currently \$1,500 (\$750 if the employer has 25 or fewer full-time equivalent employees).<sup>39</sup> USCIS receives 5% of the fees paid into the account by all employers participating in the H-1B program.<sup>40</sup> In FY2014, the USCIS share of funding in this account was \$13 million, representing 0.07% of the USCIS budget.<sup>41</sup>

## **H-1B and L Fraud Prevention and Detection Fee Account**

On December 8, 2004, Congress passed the H-1B Visa Reform Act of 2004, which established the Fraud Prevention and Detection Account.<sup>42</sup> This account receives funds for fraud detection and prevention activities from a “Fraud Fee” (currently \$500) that must be submitted with a petition seeking an initial grant of H-1B, H-2B, or L visa classification to foreign nationals or by an employer seeking to change an alien’s employer within those classifications.<sup>43</sup> USCIS receives

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(...continued)

including the costs of similar services provided without charge to asylum applicants or other immigrants. Such fees may also be set at a level that will recover any additional costs associated with the administration of the fees collected.”

<sup>37</sup> INA §286(n), 8 USC §1356(n). The provision states: “All deposits into the ‘Immigration Examinations Fee Account’ shall remain available until expended to the Attorney General to reimburse any appropriation the amount paid out of such appropriation for expenses in providing immigration adjudication and naturalization services and the collection, safeguarding and accounting for fees deposited in and funds reimbursed from the ‘Immigration Examinations Fee Account’.” All user fees from applications and petitions are pooled in IEFA to finance USCIS operations, with the exception of user fees from Form I-907 (Request for Premium Processing Services), which are tracked separately within IEFA and currently being used for the IT Transformation initiative. Email from USCIS Congressional Relations, February 4, 2015.

<sup>38</sup> P.L. 105-277, §414.

<sup>39</sup> Employers qualifying as an institution or organization per INA § 212(p)(1) – institutions of higher learning, nonprofit and government research organizations – are exempt from this fee.

<sup>40</sup> The remaining portion of these funds is appropriated to other agencies for activities such as worker retraining and fraud prevention. Employers, unless explicitly exempt under the law, are required to pay an ACWIA fee for each H-1B worker sponsored.

<sup>41</sup> CRS Report R43796, *Department of Homeland Security: FY2015 Appropriations*, coordinated by William L. Painter, p. 87.

<sup>42</sup> The act was contained within the Omnibus Appropriations Act, 2005, P.L. 108-447, Title IV §426.

<sup>43</sup> The Fraud Fee does not apply to petitions that extend or amend an alien’s stay in H-1B or L classification filed by a current employer.

33% of the Fraud Detection and Prevention Account fees.<sup>44</sup> As with the H-1B Nonimmigrant Petitioner Fee, the Fraud Prevention and Detection Fee is set by statute, and DHS has no authority to adjust it. In FY2014, the USCIS share of funding in this account was \$41 million, representing 1.36% of the USCIS budget.<sup>45</sup>

## Year-End Cash Reserves Balance

USCIS maintains a cash reserves balance—the accumulated excess of user fees collected over user fees expended. As of February 2015, this balance totaled \$1.3 billion.<sup>46</sup> USCIS asserts that because it operates similar to a commercial enterprise, it must maintain a cash reserve balance of at least \$600 million annually for its fiscal protection.<sup>47</sup>

## USCIS Fees

As noted above, the INA permits USCIS to collect fees at a level that ensures recovery of the full costs of providing adjudication and naturalization services, including services provided without charge to asylum applicants and certain other immigrant applicants, as well as administrative costs. (See **Appendix B** for a list of selected USCIS petition fees as well as actual (FY2014) and projected (FY2015) petition processing volumes.) As such, USCIS can (with exceptions) adjust fees according to its budgetary needs.<sup>48</sup>

Setting fee levels, however, can be politically contentious (see “**Fee Levels and Public Policy**” below). To do so, USCIS must regularly assess the cost of providing its services and apply cost accounting analyses to appropriately and accurately assess fees to each petition type. Such analyses are particularly important for an agency that derives most of its operating budget from user fees. Since its formation, USCIS has come under scrutiny for weak cost assessments and occasional long processing waiting periods. (For a brief history of USCIS fees, see **Appendix A**.)

The Government Accountability Office (GAO) has investigated the degree to which the USCIS fee schedule corresponds to its processing costs.<sup>49</sup> Substantial revisions to USCIS fees in FY2004,

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<sup>44</sup> U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, *Fiscal Year 2015 Congressional Budget Justifications*.

<sup>45</sup> CRS Report R43796, *Department of Homeland Security: FY2015 Appropriations*, coordinated by William L. Painter, p.87.

<sup>46</sup> This balance is broken out as follows: IEFA Non-premium processing user fee balance (\$735 million); IEFA Premium processing user fee balance (\$467 million); Fraud Prevention and Detection user fee balance (\$56 million), and H-1B Nonimmigrant Petitioner user fee balance (\$16 million). Department of Homeland Security, U.S. Citizenship & Immigration Services, FY 2016 Budget, February 2015 (unpublished handout), p. 25.

<sup>47</sup> Testimony of Joseph Moore, USCIS Chief Financial Officer, at Senate Judiciary Committee hearing, *Oversight of U.S. Citizenship and Immigration Services: Ensuring Agency Priorities Comply with the Law*, March 3, 2015.

<sup>48</sup> Some fees, such as those for Temporary Protected Status (TPS) and premium processing for certain employment petitions, are set in statute and cannot be adjusted by USCIS. See C.F.R. 8 §103.7(b)(1) for a listing of all fees.

<sup>49</sup> See U.S. Government Accountability Office, *Immigration Application Fees: Current Fees are Not Sufficient to Fund U.S. Citizenship and Immigration Services' Operations*, GAO-04-309R, January 5, 2004. See also U.S. Government Accountability Office, *Federal User Fees: A Design Guide*, GAO-08-386SP, May 29, 2008; and U.S. Government Accountability Office, *Federal User Fees: Additional Analyses and Timely Reviews Could Improve Immigration and Naturalization User Fee Design and USCIS Operations*, GAO-09-180, January 23, 2009; U.S. Government Accountability Office, *Immigration Application Fees: Costing Methodology Improvements Would Provide More* (continued...)

FY2007, and FY2010 have resulted in part from such GAO reviews.<sup>50</sup> For instance, the FY2004 fee adjustments stemmed from a cost review and fee assessment in FY1998.<sup>51</sup> The FY2007 fee adjustment was based on a cost review in FY2006, the first in eight years. In contrast, the FY2010 fee adjustments emerged following a cost review completed in FY2009, just three years after the previous one.

The timing of GAO and internal assessments can significantly affect both the average level of fee increases as well as USCIS workloads. In its 2009 report GAO recommended more frequent fee reviews to reduce the need for disproportionately large increases.<sup>52</sup> For instance, the FY2010 fee review resulted in an average fee increase of about 10%, compared with an 88% fee increase in FY2007.<sup>53</sup> In the month prior to when USCIS enacted the FY2007 fee increase, application volume soared, outpacing the agency's processing capacity. This contributed to a processing backlog of roughly 1.5 million petitions and created unplanned costs for the agency to store its paper-based applications.

As of April 2015, USCIS was working on a fee review for the FY2016-FY2017 biennial period. Based on the results of the fee review, USCIS will determine whether to adjust its fee structure.<sup>54</sup>

## Related Issues for Congress

### Accountability to Congress

The President's executive action of November 20, 2014, highlights the challenges facing Congress if it wishes to exert control over USCIS's budget or activities which are funded through user fees. As mentioned, in 1988 Congress effectively delegated to USCIS the authority to set fees, and to expend those fees once collected, through the law that established the Immigration Examinations Fee Account.

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(...continued)

*Reliable Basis for Setting Fees*, GAO-09-70, January 23, 2009; and U.S. Government Accountability Office, *Federal User Fees: Fee Design Characteristics and Trade-Offs Illustrated by USCIS's Immigration and Naturalization Fees*, GAO-10-560T, March 23, 2010. The 2002 Homeland Security Act, which established USCIS, mandated that the Comptroller General of the United States report to Congress on how USCIS could derive sufficient user fees to function without appropriations. P.L. 107-296, §477(d)(3).

<sup>50</sup> Other relatively minor fee increases during this period reflected inflation adjustments.

<sup>51</sup> U.S. Department of Homeland Security, "U.S. Citizenship and Immigration Services, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule; Proposed Rule," *Federal Register*, vol. 72, no. 21 (February 1, 2007), pp. 4891-4892.

<sup>52</sup> U.S. Government Accountability Office, *Federal User Fees: Additional Analyses and Timely Reviews Could Improve Immigration and Naturalization User Fee Design and USCIS Operations*, GAO-09-180, January 2009.

<sup>53</sup> GAO suggested that the modest increases in FY2010 compared to FY2007 resulted from a shorter time interval between the FY2009 and the previous comprehensive fee assessments. U.S. Government Accountability Office, *Federal User Fees: Fee Design Options and Implications for Managing Revenue Instability*, GAO-13-820, September 2013.

<sup>54</sup> The Chief Financial Officers Act of 1990 (CFO Act of 1990) and the Office of Management and Budget's (OMB) Circular A-25 requires that USCIS completes a fee review on a biennial basis. Per Joseph Moore, USCIS Chief Financial Officer, via email correspondence from USCIS Legislative Affairs, March 2, 2015.



Some may appreciate that a declining portion of USCIS's budget consists of appropriations because it reduces the agency's fiscal burden on U.S. taxpayers. Others may be concerned about the limits it places on congressional oversight of the agency. Some immigration observers have argued that greater dependence of USCIS upon appropriations increases congressional oversight and provides an additional check on the executive branch.<sup>55</sup> Some contend that USCIS, by not having to request budgetary resources from Congress each year for many of its day-to-day operations, also faces fewer incentives to provide timely, efficient, or effective customer service.<sup>56</sup>

To alter existing statutory provisions concerning the collection of the fees in the Immigration Examinations Fee Account, the availability of user fees for expenditure, or the prohibition of its use for certain purposes would require an enactment of law. Provisions of a bill or joint resolution to accomplish these purposes would be subject to the constitutional requirements associated with the lawmaking process, which include that the measure be signed by the President.<sup>57</sup> Such an enactment would be within Congress's constitutional authority to legislate.

## **Recovering Individual Service Costs versus Full Agency Costs**

The practice of charging user fees for immigration services has long created a rift between those who prefer that USCIS be entirely funded through fees (*agency cost advocates*) and those who prefer that fees reflect only the cost of specific services provided (*service cost advocates*).<sup>58</sup>

Service cost advocates have called on Congress to prevent fee increases at times when USCIS was considering fee structure revisions.<sup>59</sup> Although they have generally not opposed increased funding for USCIS, they have argued that the agency should recover only direct service costs and otherwise request direct appropriations to offset agency costs.<sup>60</sup> Service cost advocates believe that more rigorous oversight by Congress of appropriated funds would protect the interests of immigration services applicants and provide more transparency and accountability in the agency.<sup>61</sup> They contend that if costs escalate, fees could also increase to levels that may be prohibitive for some potential applicants.<sup>62</sup>

Agency cost advocates, on the other hand, have argued that USCIS fees are set at reasonable levels that reflect the full cost of delivering immigration services and that provide users with

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<sup>55</sup> Fawn Johnson, "Democrats Aiming to Roll Back Planned Hike in Citizenship Fee," *Congress Daily*, March 7, 2007.

<sup>56</sup> Editor, *Comment: Thatcher And H1Bs And The Poor*, ILW.COM, American Immigration LLC, April 10, 2013.

<sup>57</sup> See CRS Report R42843, *Introduction to the Legislative Process in the U.S. Congress*, by Valerie Heitshusen.

<sup>58</sup> Language in the authorizing statute states: "Provided further, that fees for providing adjudication and naturalization services may be set at a level that will ensure recovery of the full costs of providing all such services, including the costs of similar services provided without charge to asylum applicants or other immigrants. Such fees may also be set at a level that will recover any additional costs associated with the administration of the fees collected." 8 U.S.C. §1356(m).

<sup>59</sup> For example, in 2007 then U.S. Senator Barack Obama and others opposed fee increases that were being considered and which ultimately were enacted. See U.S. Senator Barack Obama, "Obama, Gutierrez, Schakowsky Bill Would Send Immigration Fee Hikes Back to the Drawing Board," press release, March 7, 2007.

<sup>60</sup> Ibid.

<sup>61</sup> National Council of La Raza, "NCLR Critical of Fee Increases for Immigration Services," press release, April 15, 2007, p. 1, at <http://www.nclr.org/content/news/detail/25082>.

<sup>62</sup> Ibid.

valuable benefits.<sup>63</sup> They note that fees include costs for preventing fraud and providing services to those applying for immigration benefits on the basis of humanitarian need. They argue that subsidizing agency costs might be disadvantageous because it would keep fees at levels that would permit some immigrants to receive immigration services who would otherwise be classified as “public charges” under the INA.<sup>64</sup>

These two perspectives reflect a debate over who pays for immigration services received by beneficiaries who are exempted from fees. For example, when a policy decision is made to exempt foreign national victims of human trafficking (T visa) or victims of certain crimes (U Visa) from paying petition fees, the processing costs for those petitions must then be recovered through the fees charged against other applications.

## Fee Levels and Public Policy

Fee levels for immigration services can reflect policy considerations. In its 2010 review of USCIS fees, GAO outlined four broad policy considerations that could be used when considering how to set fee levels: *equity* (everyone pays his/her fair share), *efficiency* (simultaneously constrain demand and reveal the value that beneficiaries place on the service), *revenue adequacy* (the extent to which fee collections cover the intended share of costs), and *administrative burden* (the entire cost of administering the fee).<sup>65</sup>

Policy considerations not only affect how the fees are set, but also who should pay. In the case of USCIS, these policy considerations can conflict with each other. For instance, while the agency pursues revenue adequacy as a goal, it nevertheless does not collect fees from asylees and refugees on humanitarian grounds. Similarly, USCIS aims for equity in establishing fee levels, but when attempting to adjust fees for naturalization petitions on par with other petition fee adjustments, it confronts a vocal immigration advocacy community as well as its own broader policy objectives to foster citizenship.<sup>66</sup>

Immigrant advocates in particular argue that fee increases place disproportionate hardship on applicants for immigration services and benefits.<sup>67</sup> They contend that higher fees force some families to seek services and benefits incrementally rather than as a family unit, causing some

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<sup>63</sup> Statement by U.S. House Representative Steven King in U.S. Congress, House Committee on the Judiciary, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, *Hearing on the United States Citizenship and Immigration Services*, 111<sup>th</sup> Cong., 2<sup>nd</sup> session, March 23, 2010.

<sup>64</sup> INA §212(a)(4). The term “public charge” is used in the context of drawing public benefits for low-income households. Being a public charge has long been a ground for inadmissibility to the United States. See archived CRS Report R41104, *Immigration Visa Issuances and Grounds for Exclusion: Policy and Trends*, by Ruth Ellen Wasem.

<sup>65</sup> U.S. Government Accountability Office (GAO), *Fee Design Characteristics and Trade-Offs Illustrated by USCIS’s Immigration and Naturalization Fees*, GAO-10-560T, March 23, 2010.

<sup>66</sup> In 2010, USCIS decided to maintain the naturalization fee at \$680 rather than raise it, even though a review of its cost structure suggested otherwise. The action was consistent with USCIS’s policies promoting citizenship and immigrant integration but it required that commensurate cost increases for processing naturalization petitions be allocated to other immigration services petitioners. USCIS estimated an average impact of \$8 per petition for the rest of its fee paying volume. Since October 1, 2004, USCIS has waived naturalization petition fees for military personnel. For further discussion, see CRS Report R43366, *U.S. Naturalization Policy*, by William A. Kandel.

<sup>67</sup> American Immigration Lawyers Association, “AILA Dismayed With Proposed 10% USCIS Fee Increase: Users Must Receive Better Value for Fees Paid”, AILA InfoNet Doc. No. 10060910 (posted June 9, 2010).

members to forgo the application process entirely.<sup>68</sup> Some argue that high fees discourage eligible lawful permanent residents (LPRs) from naturalizing.<sup>69</sup>

At a broader level, immigration advocates have argued that sizeable fee increases may make wealth a *de facto* driving element of immigration policy.<sup>70</sup> They have also suggested that increased fees might impact the size of the unauthorized alien population by encouraging illicit work arrangements and visa overstays.<sup>71</sup> Under current regulations, applicants may receive a fee waiver if they can demonstrate an inability to pay.<sup>72</sup> According to USCIS, about 1% of applicants apply for fee waivers. Others argue that some fees in the United States, such as that for naturalization, are substantially higher than comparable fees in other advanced economies.<sup>73</sup>

Agency cost advocates cite immigration statutes to argue that concerns about the potential financial hardship are not valid criteria for developing a USCIS fee schedule. They argue that immigrants who receive the many benefits of living in the United States should pay the full cost the U.S. government incurs on their behalf to make their immigration possible. They contend that substantial fee increases should not be judged to be excessive if they accomplish the goal of recovering the full cost of services provided to immigrants, including expenses such as overhead, personnel support, and particularly, the cost of background checks and fraud reduction. They object to a fee structure that requires “overtaxed and overstretched Americans” to support an agency that benefits immigrants.<sup>74</sup>

## IT Modernization and Client Service

USCIS customers who seek immigration services and benefits often face challenges as they navigate the complexity of U.S. immigration laws and regulations. Obtaining answers to questions and resolving issues may require visits to USCIS offices that can be time-consuming and inconvenient. For many services, USCIS customers must apply for most benefits by mail. USCIS employees then review submitted paper files and ship documents between offices to complete their adjudication. According to the DHS Inspector General’s office, USCIS was relying on paper-based processes to manage the filing and adjudication of immigration benefits as recently as 2011.<sup>75</sup>

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<sup>68</sup> Letter from American Immigration Lawyers Association, to the Director of the Regulatory Management Division, USCIS, April 1, 2007, <http://www.bibdaily.com/pdfs/AILA%20fee%20comment%204-1-07.pdf>.

<sup>69</sup> National Foundation for American Policy, *Reforming the Naturalization Process*, NFAP Policy Brief, August 2011. In 2010, USCIS revised its fee structure for many immigrant petitions, but exempted the N-400 *Application for Naturalization* from any fee increase.

<sup>70</sup> U.S. Senator Barack Obama, “Obama, Gutierrez, Schakowsky Bill Would Send Immigration Fee Hikes Back to the Drawing Board,” press release, March 7, 2007, p. 1.

<sup>71</sup> Council on Foreign Relations, Independent Task Force Report No. 63, *U.S. Immigration Policy*, 2009, pp. 49-64.

<sup>72</sup> 8 C.F.R. 103.7(c).

<sup>73</sup> Madeleine Sumption and Sarah Flamm, *The Economic Value of Citizenship for Immigrants in the United States*, Migration Policy Institute, Washington, DC, September 2012.

<sup>74</sup> Statement by U.S. House Representative Steven King in U.S. Congress, House Committee on the Judiciary, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, *Hearing on the United States Citizenship and Immigration Services*, 111<sup>th</sup> Cong., 2<sup>nd</sup> session, March 23, 2010.

<sup>75</sup> DHS Office of Inspector General, “U.S. Citizenship and Immigration Services’ Progress in Transformation,” OIG-12-12, November 2011.

As part of a comprehensive set of initiatives to modernize the agency, USCIS embarked on an agency-wide investment referred to as “transformation” that began transitioning the agency from a fragmented, paper-based operational environment to a centralized and consolidated environment facilitating electronic processing of the adjudication function.<sup>76</sup> In 2012, USCIS formally launched the first two phases of its electronic immigration application system, known as ELIS. Under ELIS, eligible individuals can establish an account and apply online to extend or change their nonimmigrant status for certain visa types. ELIS enables USCIS officers to review and adjudicate filings online. It also includes tools to combat fraud and identify national security concerns. Nevertheless, ELIS still possesses limited features and must expand substantially before USCIS can move to an entirely electronic platform.<sup>77</sup>

## Processing Times and Backlogs

Congress has repeatedly called upon USCIS to improve its processing times and, on occasion, to eliminate backlogs of applications awaiting adjudication. Between FY2002 and FY2010, Congress provided approximately \$574 million in direct appropriations towards backlog reduction efforts.<sup>78</sup> Immigration observers questioned some backlog reduction efforts that resulted from changes in how USCIS defined the backlog.<sup>79</sup> Some critics believe that USCIS’s reliance on other agencies to conduct background checks limits the agency from preventing future backlogs, even with funding that fully covers adjudication costs.<sup>80</sup>

If reforms or changes to immigration laws or regulations occur that affect large numbers of individuals, the issue of managing adjudication workloads and recovering service costs could become an issue for USCIS. Some observers question whether the agency can process in a timely fashion the increased application volumes resulting from such changes. Previous efforts at immigration reform, for example, resulted in substantial increases in applications for immigration services as well as USCIS’s overall adjudication costs.<sup>81</sup>

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<sup>76</sup> DHS Office of Inspector General, “U.S. Citizenship and Immigration Services Information Technology Management Progress and Challenges,” OIG-14-112, July 2011.

<sup>77</sup> For example, time studies conducted by USCIS service centers indicate that adjudicating on paper is at least two times faster than adjudicating in ELIS. See U.S. Department of Homeland Security, Office of the Inspector General, *U.S. Citizenship and Immigration Services Information Technology Management Progress and Challenges*, OIG-14-112, July 2014, p. 17. See also Aliya Sternstein, “New USCIS Computer Was Supposed to Speed up Immigration Processing. What Went Wrong?,” *Nextgov*, March 13, 2015.

<sup>78</sup> As of June 2010, DHS had allocated \$574 million for this effort, including \$494 million in direct appropriations. According to USCIS budget documents, no additional funds have been appropriated for this purpose since then.

<sup>79</sup> In July 2004, USCIS reclassified 1.1 million petitions that were in the hands of other government agencies for background checks as no longer part of the backlog. Critics contend that changes in the agency’s backlog definition masked the seriousness of the USCIS backlog. The DHS Inspector General expressed concerns that the new backlog definition would not resolve “the long-standing processing and IT problems that contributed to the backlog in the first place.” U.S. Department of Homeland Security, Office of the Inspector General, *USCIS Faces Challenges in Modernizing Information Technology*, OIG-05-41, September 2005, p. 28. The USCIS Ombudsman also noted “these definitional changes hide the true problem and the need for change.” U.S. Department of Homeland Security, Citizenship and Immigration Service Ombudsman, *Annual Report 2006*, June 29, 2006, p. 9.

<sup>80</sup> Ibid. For more information on background checks, see USCIS, *Immigration Security Checks—How and Why the Process Works*, fact sheet, April 25, 2006.

<sup>81</sup> GAO notes that when the 3 million individuals who legalized under IRCA in 1986 became eligible for naturalization in 1995, the application backlog increased markedly. See U.S. Government Accountability Office, *Immigration Benefits: Several Factors Impede Timeliness of Application Processing*, GAO-01-488, May 2001.

## Capacity

USCIS regularly faces concerns from immigration observers about the agency's ability to manage adjudication workloads, particularly during surges in application volume that result from changes in immigration policy or other major events. The issue arose most recently with the President's executive action, causing some to question how the agency would handle the workload from as many as 5 million new deferred action applications. Agency spokespersons posit that USCIS has the capacity to quickly scale up and deal with surges in volume such as those expected to result from the President's executive action. They argue that the agency's experience with the 2012 Deferred Action for Childhood Arrivals (DACA) program served as a test case for handling larger workloads anticipated from the most recent executive action.<sup>82</sup> They also cite past examples, such as the roughly 2.7 million persons the agency processed between 1987 and 1989 following passage of the Immigration Reform and Control Act of 1986 (IRCA, P.L. 99-603),<sup>83</sup> which, by most accounts, was successfully administrated.<sup>84</sup>

Other immigration observers refute such assessments. They note that USCIS struggled for several years to reduce a processing backlog caused by the surge in petition volume from its relatively large FY2007 fee adjustments. Going back earlier, GAO noted that when the 3 million individuals who legalized under IRCA in 1986 became eligible for naturalization in 1995, the application backlog increased markedly.<sup>85</sup> Processing backlogs may affect processing times for other petitions as resources within the agency are reconfigured to address urgent needs. This latter concern has been raised by some who argue the agency is diverting resources used to process petitions of those immigrating to the United States legally in order to process DACA and other petitions that benefit the unauthorized alien population.<sup>86</sup>

Critics also describe a processing system that continues to rely primarily on paper applications and postal mail and argue that other agency services will suffer from the diversion of USCIS resources to attend to the pressing caseload caused by the 2014 executive action.<sup>87</sup> Since it was

<sup>82</sup> Testimony of Bo Cooper, Esq., Partner at Fragomen, Del Rey, Bernsen & Loewy LLP, in U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *Hearing on Deferred Action on Immigration: Implications and Unanswered Questions*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., February 4, 2015. As of December 31, 2014, USCIS had received and processed 962,000 new and renewal petitions for the 2012 DACA program. DACA statistics are available from USCIS at <http://www.uscis.gov/tools/reports-studies/immigration-forms-data/data-set-deferred-action-childhood-arrivals>.

<sup>83</sup> IRCA was passed to control and deter illegal immigration to the United States. It contained a number of major provisions, including those that legalized 2.7 million undocumented aliens who had been continuously unlawfully present since 1982. The magnitude of the program substantially increased the workload of the former INS.

<sup>84</sup> CRS briefing with USCIS, Legislative Affairs personnel, August 20, 2013.

<sup>85</sup> U.S. Government Accountability Office, *Immigration Benefits: Several Factors Impede Timeliness of Application Processing*, GAO-01-488, May 2001.

<sup>86</sup> See testimony of Senator Thom Tillis at Senate Judiciary Committee hearing, *Oversight of U.S. Citizenship and Immigration Services: Ensuring Agency Priorities Comply with the Law*, March 3, 2015. For example, USCIS reported 109,956 pending I-130 petitions (*Petition for Alien Relative*) as of September 30, 2012. As of December 31, 2014, the figure was 784,323, despite the fact that the petition volume for such petitions had not increased inordinately during the two-year period. Similarly, USCIS reported 130,496 pending I-485 petitions (*Application to Register Permanent Residence or Adjust Status*) as of August 31, 2012. As of December 31, 2014, the figure was 414,146, also despite the fact that the petition volume for I-485 petitions had not increased inordinately during the period. See U.S. Citizenship and Immigration Services, *Immigration and Citizenship Data*, at <http://www.uscis.gov/tools/reports-studies/immigration-forms-data>, accessed by CRS on May 1, 2015.

<sup>87</sup> Testimony of Luke Peter Bellocchi, of Counsel, Wasserman, Mancini & Change, PC, in U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *Hearing on Deferred Action on Immigration*: (continued...)



announced in November, the agency has made plans to hire over 1,000 full and part-time personnel to handle the workload.<sup>88</sup> Costs for the new hires reportedly would be covered by the DACA petition fees. If the executive action goes forward as planned, it remains to be seen whether the new personnel and required procedures would be in place and sufficient to handle the volume of related petitions.

## Conclusion

Over two decades ago, the budget structure of USCIS's predecessor agency, the former INS, was transformed by the law that created the Immigration Examinations Fee Account to fund the agency's activities and operations. Since that time, and particularly since USCIS was created in 2002, the agency has relied almost entirely on user fees to fund its operations. Appropriations have been granted for special projects and currently fund the E-Verify program. Having a government agency funded by user fees reduces the fiscal burden on U.S. taxpayers. However, it also might reduce the influence and oversight that Congress can exert over how the agency spends its user fees. Such limitations became more apparent following the passage of the President's executive action of November 20, 2014, which included a new deferred action program that some Members of Congress oppose.

Some have expressed concerns about the impact that a relatively sudden and large demand for USCIS adjudication services might have on the rest of the agency's workload. USCIS has experience in handling surges in petition volume. It also has, with the existing DACA program initiated in 2012, an active model for confronting potential challenges posed by similar programs initiated within the recent executive action. However, past experience also suggests that processing backlogs could occur, as well as increases in processing times for other types of petitions. Such delays underscore both the agency's limited personnel resources and its continued reliance on a largely paper-based system.

In addition to these issues, immigration observers continue to express concerns over several perennial issues related to USCIS. The most frequently cited concern involves fee levels. Some evidence suggests that the current naturalization petition fee, in particular, poses a barrier to individuals wishing to become U.S. citizens, a critical step toward political and civic incorporation. While immigrant advocacy groups argue that lower fees would increase the numbers of LPRs who naturalize, USCIS has not signaled any plans to adjust its fee structure to address this concern beyond maintaining the naturalization petition fee at its current level.

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(...continued)

*Implications and Unanswered Questions*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., February 4, 2015.

<sup>88</sup> U.S. Citizenship and Immigration Services, "USCIS Today e-News 12-1-14," press release, December 1, 2014.

## Appendix A. History of USCIS Fee Funding

In its original version, the Immigration and Nationality Act of 1952 (INA) prescribed fees for certain immigration services.<sup>89</sup> Furthermore, a general “user” statute in Title V of the Independent Offices Appropriations Act of 1952<sup>90</sup> granted government agencies the authorization to charge fees for services performed. Legislation<sup>91</sup> in 1968 removed the enumeration of statutory fees under the INA, and subsequently immigration fees were prescribed in regulations under the authorization of the latter “user” statute.<sup>92</sup>

Following the 1968 legislation, the former Immigration and Naturalization Service (INS) continued to periodically adjust fees as it deemed necessary.<sup>93</sup> However, the second term of the Reagan Administration saw more concerted efforts to make INS adjudication functions fee-reliant. At the same time that Congress passed the Immigration Reform and Control Act of 1986 (IRCA),<sup>94</sup> which included a legalization program for certain unlawfully present aliens, the INS decreased fees for stays of deportation<sup>95</sup> but increased them for certain other deportation-related motions. In the publication of the final fee schedule after passage of IRCA, the agency stated that it believed it was legally required to recover all of its costs for services it provided.<sup>96</sup> The 1987 amendment to the fee schedule added fees for the legalization program under IRCA, and despite opposition to the \$185 filing fee, the INS maintained the charge was needed to ensure the program was self-funding.<sup>97</sup>

In 1988, Congress mandated the creation of the Immigration Exam Fee Account (IEFA) in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1989,<sup>98</sup> such that the funding for the legalization fees could be isolated and a portion of those fees retained by the agency. These fees would then be available to the INS to recover some

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<sup>89</sup> P.L. 82-414, §281.

<sup>90</sup> P.L. 82-137.

<sup>91</sup> P.L. 90-609.

<sup>92</sup> Charles Gordon, Stanley Mailman, and Stephen Yale-Loehr, *Immigration Law and Procedure*, vol. 1, §3.25[1]. Following the “Act of Oct. 21, 1968” (P.L. 90-609), which eliminated the specific statutory authorization for particular INS fees in the INA, the INA used the authority granted by P.L. 82-137 to issue its entire schedule of fees through regulation. This authority to issue fees through regulation continued to apply when certain INS functions were transferred to USCIS in 2003. All USCIS fees are now found in 8 C.F.R. 103.7.

<sup>93</sup> USCIS has undergone at least 16 revisions of its fee schedule. While some revisions were due to cost assessments, others were minor inflation adjustments. These fee schedule revisions occurred in 1969, 1976, 1978, 1983, 1986, 1987, 1991, 1994, 1995, 1998, 1999, 2001, 2004, 2005, 2007, and 2010.

<sup>94</sup> P.L. 99-603.

<sup>95</sup> A “stay of deportation” is also referred to as a “cancellation of removal.” These terminology changes occurred with passage of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. (P.L. 104-208).

<sup>96</sup> In its publication of the new schedule that year, the INS stated: “The INS and the EOIR (the Department of Justice’s Executive Office of Immigration Review) believe it is clear that 31 U.S.C. 9701 and OMB Circular A-25 require Federal agencies to establish a fee system in which a benefit or a service provided to or for any person be self-sustaining to the fullest extent. We believe arguments to the contrary are wholly without merit. Fees are neither intended to replace nor to be influenced by the budgetary process and related considerations, but instead, to be governed by the total cost to the agency to provide the service. A policy of setting fees on any basis other than cost would violate this principle.” U.S. Department of Justice, Immigration and Naturalization Service, “8 CFR Part 103,” *Federal Register*, vol. 51, no. 213 (November 4, 1986), pp. 39993-39994.

<sup>97</sup> Charles Gordon, Stanley Mailman, and Stephen Yale-Loehr, *Immigration Law and Procedure*, vol. 1, §3.25[1].

<sup>98</sup> P.L. 100-459.

of the costs associated with providing immigration services. The following fiscal year, the IEFA was amended in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1990,<sup>99</sup> giving INS the authority to retain and expend all of the adjudication fees collected. The purpose of this change was that funding for the Adjudications and Naturalization Program of the INS would be financed solely through this mechanism.<sup>100</sup>

Following the passage of the Immigration Act of 1990,<sup>101</sup> the INS experienced a period of unprecedented growth in applications and petitions for immigration services. This growth was further compounded in 1995 when approximately 3 million individuals who had legalized under IRCA became eligible to naturalize.<sup>102</sup>

At roughly the same time, GAO released a report on the financial practices of the INS that found inadequate controls over fee funding and vulnerability to fraud and other abuses.<sup>103</sup> GAO also found that despite a large increase in fee funding, the agency suffered from inadequate service processing times and weak leadership and management.<sup>104</sup> The INS responded to this report through centralization initiatives and by stating that its new fee schedule of 1991 would reduce the growing applications backlog.<sup>105</sup> Yet, by 1993 observers expressed growing concerns that increased fees had not yielded the promised performance improvements.<sup>106</sup> Some asserted that the INS was using a portion of funds from the IEFA for enforcement activities rather than adjudication services.<sup>107</sup>

Between 1993 and 2001, the INS continued to receive criticism for not meeting its service objectives, despite increases in funding from fees and appropriations.<sup>108</sup> Many observers continued to assert that INS was using a portion of its immigration services collections to fund non-service activities such as border security and interior enforcement. This suspected

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<sup>99</sup> P.L. 101-162.

<sup>100</sup> S. Rept. 101-144, pp. 48-49.

<sup>101</sup> P.L. 101-649.

<sup>102</sup> Some have speculated that part of the increase in naturalization petition volume in the mid-1990s stemmed from greater eligibility restrictions for welfare and other federal assistance enacted through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). See Jennifer Van Hook, Susan K. Brown, and Frank D. Bean, "For Love or Money? Welfare Reform and Immigrant Naturalization," *Social Forces*, Vol. 85, No. 2, (December 2006), pp. 643-666. In response to the growth in naturalization applications, the INS launched an initiative called Citizenship USA, which had the explicit goal of reducing the naturalization backlog and naturalizing eligible applicants within six months of submitting an application. According to GAO, the program experienced numerous quality and integrity problems, and resulted in some ineligible applicants receiving citizenship. (U.S. Government Accountability Office, *Immigration Benefits: Several Factors Impede Timeliness of Application Processing*, GAO-01-488, May 2001).

<sup>103</sup> U.S. Government Accountability Office, *Immigration Management: Strong Leadership and Management Reforms Needed to Address Serious Problems*, GAO/GDD-91-28, January, 1991.

<sup>104</sup> *Ibid.*

<sup>105</sup> Testimony of INS Commissioner Gene McNary, in U.S. Congress, House Committee on the Appropriations, Subcommittee on Commerce, Justice, State, and the Judiciary Appropriations, *Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations for 1992*, 102<sup>nd</sup> Congress, 1<sup>st</sup> session, March 18, 1991.

<sup>106</sup> Testimony of Theodore Ruthizer, president of the American Immigration Lawyers Association, in U.S. Congress, House Committee on Government Operations, Subcommittee on Information, Justice, Transportation, and Agriculture, *Immigration and Naturalization Service: A Mandate for Change*, 103<sup>rd</sup> Congress, 1<sup>st</sup> session, March 30, 1993.

<sup>107</sup> *Ibid.*

<sup>108</sup> For example, GAO issued another report, which found that despite making some progress, the INS had yet to adequately resolve many longstanding management issues. (U.S. Government Accountability Office, *INS Management: Follow-up on Selected Problems*, GGD-97-132, July 1997).

interweaving of service and non-service funding prompted a push to separate the service and enforcement functions of the INS.<sup>109</sup> In 1997, the U.S. Commission on Immigration Reform recommended that the INS be dismantled and the adjudication and enforcement functions be divided up between the Department of State and the Department of Justice (DOJ), respectively.<sup>110</sup> The Clinton and Bush Administrations, however, categorically rejected the proposed dismantling of INS and instead encouraged internal reforms.<sup>111</sup>

Following the terrorist attacks of September 11, 2001, Congress decided to formally separate INS's enforcement and adjudication functions. With the passage of the Homeland Security Act of 2002 (HSA),<sup>112</sup> Congress dissolved the INS and established USCIS, a new immigration adjudication agency, within the newly formed Department of Homeland Security (DHS).<sup>113</sup> The INS did attempt to increase its fees in FY2003 to cover anticipated additional costs related to security checks, but DOJ did not act upon the request due to the upcoming transition of immigration functions from DOJ to DHS.<sup>114</sup> Since its creation, USCIS has been largely dependent upon fees to fund its services, with direct appropriations provided primarily for temporary projects.

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<sup>109</sup> For further discussion, see CRS Report RL30257, *Proposals to Restructure the Immigration and Naturalization Service*, by William J. Krouse, available upon request; and CRS Report RL31388, *Immigration and Naturalization Service: Restructuring Proposals in the 107<sup>th</sup> Congress*, by Lisa M. Seghetti, available upon request.

<sup>110</sup> U.S. Commission on Immigration Reform, *Becoming an American: Immigration and Immigration Policy*, report to Congress, Executive Summary, September 1997.

<sup>111</sup> CRS Report RL30257, *Proposals to Restructure the Immigration and Naturalization Service*, by William J. Krouse, available upon request.

<sup>112</sup> P.L. 107-296.

<sup>113</sup> It also established the Customs and Border Protection (CBP) and the Immigration and Customs Enforcement (ICE) agencies, which together with USCIS replaced the functions of the former INS. Note that only USCIS receives its funding through the Immigration Examination Fee Account. For discussion on USCIS organizational issues, see CRS Report RL31388, *Immigration and Naturalization Service: Restructuring Proposals in the 107<sup>th</sup> Congress*, by Lisa M. Seghetti, available on request; and CRS Report RL33319, *Toward More Effective Immigration Policies: Selected Organizational Issues*, by Ruth Ellen Wasem.

<sup>114</sup> U.S. Government Accountability Office, *Immigration Application Fees: Current Fees are Not Sufficient to Fund U.S. Citizenship and Immigration Services' Operations*, GAO-04-309R, January 5, 2004, p. 22.

## Appendix B. Fee and Processing Volume Statistics

**Table B-1. Fees, Processing Volumes (FY2013, FY2014), and Projected Volumes (FY2015) for Selected Immigration Petitions**

USCIS Form Number	Form Description	Fee	Application/Petition Receipts		
			FY2013 (Actual)	FY2014 (Actual)	FY2015 (Projected)
I-90	Application to Replace Permanent Resident Card*	\$365	443,065	781,701	783,238
I-102	Application for Replacement/Initial Nonimmigrant Arrival—Departure Document	\$330	13,715	9,679	10,143
I-129	Petition for a Nonimmigrant Worker	\$325	404,520	432,987	420,954
I-129F	Petition for Alien Fiancé(e)	\$340	45,360	48,394	48,505
I-130IR/PREF	Petition for Alien Relative	\$420	545,646	788,633	860,668
I-131	Application for Advance Parole / Reentry Permit / Refugee Travel Document*	\$360	381,119	375,568	425,110
I-140	Immigrant Petition for Alien Worker	\$580	69,714	81,658	89,268
Waiver Forms (I-191, I-192, I-193, I-212, I-601, I-612)		\$585	64,635	63,449	110,496
I-290B	Appeal for any decision other than BIA	\$630	N/A	N/A	24,662
I-360	Petition for Amerasian, Widow(er), or Special Immigrant	\$405	20,161	20,270	25,676
I-485	Application to Register Permanent Residence or Adjust Status*	\$985	546,651	588,755	593,294
I-526	Immigrant Petition by Alien Entrepreneur	\$1,500	6,346	10,928	12,518
I-539	Application to Extend/Change Nonimmigrant Status*	\$290	148,274	182,184	172,001
I-589	Application for Asylum and Withholding of Removal	No fee	44,453	56,912	65,000
I-590	Registration for Classification as a Refugee	No fee	N/A	N/A	80,000
I-600/600A	Petition to Classify Orphan as an Immediate Relative	\$720	5,011	7,743	15,031
I-601A	Provisional Unlawful Presence Waivers	\$585	19,085	37,592	N/A
I-687	Application for Status as a Temporary Resident under INA Sections 245A or 210	\$1,130	N/A	N/A	18
I-690	Application for Waiver of Grounds of Inadmissibility	\$200	N/A	N/A	21
I-694	Notice of Appeal of Decision under INA Sections 245A or 210	\$755	N/A	N/A	39
I-698	Application to Adjust Status from Temporary to Permanent Resident (A)	\$1,020	N/A	N/A	91



I-730	Refugee/Asylee Relative Petition	No fee	18,458	16,768	17,161
I-751	Petition to Remove the Conditions on Residence*	\$505	171,651	178,359	142,707
I-765	Application for Employment Authorization*	\$380	1,781,576	1,370,404	1,433,828
I-800/800A	Petition to Classify Convention Adoptee as an Immediate Relative	\$720	7,880	8,031	See I-600/600A
I-800A	Request for Action on Approved Form I-800A (Supplement 3)	\$360	N/A	N/A	1,585
I-817	Application for Family Unity Benefits*	\$435	2,378	2,067	2,069
I-821	Application for Temporary Protected Status*	\$50	328,022	54,617	290,147
I-821D	Deferred Action for Childhood Arrivals	No fee	432,307	262,535	See I-821
I-824	Application for Action on an Approved Application or Petition	\$405	12,227	12,151	11,153
I-829	Petition by Entrepreneur to Remove Conditions	\$3,750	1,217	2,516	3,131
I-881	Application for Suspension of Deportation or Special Rule Cancellation of Removal (B)	\$285	1,108	795	764
I-905	Application for Authorization to Issue Certification for Health Care Workers	\$230	N/A	N/A	NA
I-907	Request for Premium Processing Service	\$1,225	N/A	N/A	NA
I-910	Civil Surgeon Designation	\$615	N/A	N/A	613
I-914	Application for T Nonimmigrant Status	No fee	99	1,869	1,953
I-918	Petition for U Nonimmigrant Status	No fee	25,432	45,268	45,600
I-924	Application for Regional Center Under the Immigrant Investor Pilot Program	\$6,230	436	642	939
I-929	Petition for a Qualifying Family Member of a U-I Nonimmigrant <sup>215</sup>	\$215	397	679	575
N-300	Application to File Declaration of Intention	\$250	43	22	43
N-336	Request for Hearing on a Decision in Naturalization Procedures	\$650	4,452	4,307	4,630
N-400	Application for Naturalization—Regular* (R)	\$595	762,438	763,950	824,173
N-400	Application for Naturalization—Military (M)	\$0	10,195	9,874	See N-400(R)
N-470	Application to Preserve Residence for Naturalization Purposes	\$330	354	311	369
N-565	Application for Replacement Naturalization/Citizenship Document	\$345	27,204	27,732	28,197
N-600/600K	Application for Certificate of Citizenship	\$600	66,982	60,863	68,962
G-1041	Genealogy Index Search Request	\$20	N/A	N/A	3,530
G-1041A	Genealogy Records Request	\$20	N/A	N/A	2,335
<b>Total Immigration Benefit Volume</b>			<b>6,413,311</b>	<b>6,310,213</b>	<b>6,621,197</b>

**Sources: processing data: FY2013-FY2014:** USCIS Immigration Forms Data (website): <http://www.uscis.gov/tools/reports-studies/immigration-forms-data/data-set-all-uscis-application-and-petition-form-types>; **FY2015 Projected:** Department of Homeland Security, U.S. Citizenship & Immigration Services, FY 2016 Budget, February 2015 (unpublished handout), p. 30; **fee data:** Department of Homeland Security, U.S. Customs and Immigration Services, form G-1055, *Fee Schedule* (12/18/14), available at <http://www.uscis.gov/fees>.

**Notes:** Petition information is presented for all USCIS petitions for which processing volume data are available from the DHS sources above. Appendix B accounts for most of USCIS's petition volume, but the exact proportion is not known. USCIS form numbers may include more than one petition variant. \* Indicates that an additional biometric fee of \$85 (not included in the listed fee) is also required for this petition. Biometric fees may not be required for some variants of particular USCIS form numbers. **(A):** Under Section 245A of P.L. 99-603; **(B):** Pursuant to Section 203 of P.L. 105-100.

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# USCIS Fee Waiver Policies and Data

September 27, 2017

Fiscal Year 2017 Report to Congress



Homeland  
Security

*U.S. Citizenship and Immigration Services*

# Message from the Acting Director

September 27, 2017

I am pleased to submit the following report, “USCIS Fee Waiver Policies and Data,” which has been prepared by U.S. Citizenship and Immigration Services (USCIS).

This report was compiled pursuant to language set forth in Senate Report 114-264, accompanying the Fiscal Year (FY) 2017 Department of Homeland Security Appropriations Act (P.L. 115-31).

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable John R. Carter  
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Boozman  
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jon Tester  
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

I am pleased to respond to any questions you may have. Please do not hesitate to contact me at (202) 272-1000 or the Department’s Acting Chief Financial Officer, Stacy Marcott, at (202) 447-5751.

Sincerely,

A handwritten signature in black ink that reads "James W. McCament". The signature is fluid and cursive, with the first name "James" and last name "McCament" clearly legible.

James W. McCament  
Acting Director  
U.S. Citizenship and Immigration Services





# Executive Summary

This report responds to direction from the U.S. Senate for USCIS to provide policies and data on its use of fee waivers.

Pursuant to section 286(m) of the Immigration and Nationality Act, 8 U.S.C. § 1356(m), USCIS is authorized to establish fees for services at a level that will ensure recovery of the full costs of providing all adjudication and naturalization services, including services provided without charge to certain immigrants. The regulations at 8 C.F.R. § 103.7(c) provide discretionary regulatory authority for USCIS to waive fees for certain applications, petitions, motions, and requests.

The number of fee waiver request receipts increased steadily between FYs 2013 and 2016, with a more substantial increase from FY 2015 to FY 2016. The number of approvals also increased from FY 2013 to FY 2016, while the number of denials increased from FY 2014 to FY 2016, after a decrease from FY 2013 to FY 2014.

In addition to the data on the number of fee waiver receipts, approvals, rejections, and the estimated foregone revenue by fiscal year during FYs 2013–2017,<sup>1</sup> the report also provides USCIS’s policy guidance relating to fee waivers.<sup>2</sup>

Each fee waiver request is considered on its own merits, and USCIS may grant a fee waiver when it has determined that the individual is unable to pay the fee on the basis of the individual’s overall financial situation. In general, USCIS policy is to consider fee waiver requests when:

- The individual is receiving a means-tested benefit;
- The household income level (at or below 150 percent of the Federal Poverty Guidelines) renders the individual unable to pay; or
- Financial hardship otherwise renders the individual unable to pay.

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<sup>1</sup> FY 2017 figures represent fee waivers through March 2017 (FY 2017 second quarter).

<sup>2</sup> See Memorandum, Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to the Adjudicators Field Manual Chapter 10.9 (Mar. 13, 2011); USCIS Form I-912, Request for Fee Waiver, and the accompanying instructions.



# USCIS Fee Waiver Policies and Data

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# I. Legislative Language

This document has been compiled in response to language included in Senate Report 114-264, which accompanies the Fiscal Year (FY) 2017 Department of Homeland Security (DHS) Appropriations Act (P.L. 115-31).

Senate Report 114-264 states:

## FEE WAIVERS

The Committee is concerned about the increased use of fee waivers, as those paying fees are forced to absorb costs for which they receive no benefit. In addition, those unable to pay USCIS fees are less likely to live in the United States independent of government assistance. The Committee directs USCIS to report on the policies and provide data on the use of fee waivers during the last four fiscal years within 90 days of the date of enactment of this act.

## II. Background

Section 286(m) of the Immigration and Nationality Act (INA), 8 U.S.C. § 1356(m), authorizes the Secretary of Homeland Security to designate fees by regulation, which shall be deposited into an “Immigration Examinations Fee Account.” This provision also states that “fees for providing adjudication and naturalization services may be set at a level that will ensure recovery of the full costs of providing all such services, including the costs of similar services provided without charge to asylum applicants and other immigrants.” The Secretary has exercised this authority by designating the U.S. Citizenship and Immigration Services (USCIS) fee schedule at 8 C.F.R. § 103.7.

On November 23, 2010, the Secretary updated the fee waiver regulations<sup>3</sup> and established Form I-912, Request for Fee Waiver, and accompanying instructions, to facilitate the fee waiver request process.<sup>4</sup> The regulatory criteria for fee waivers, including eligibility for a fee waiver, requesting a fee waiver, and USCIS fees that may be waived, is set forth in 8 C.F.R. § 103.7(c).<sup>5</sup> The decision to grant a fee waiver is solely within the discretion of USCIS.

USCIS issued guidance in the Policy Memorandum PM-602-0011.1, *Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to the Adjudicators Field Manual (AFM) Chapter 10.9, AFM Update AD11-26* (Mar. 13, 2011). This memorandum established the policy and process by which USCIS would adjudicate requests for fee waivers.<sup>6</sup>

Each fee waiver request is considered on its own merits, and USCIS may grant a fee waiver when it has determined that the individual is unable to pay the fee on the basis of his/her overall financial situation. Fee waiver determinations are based on a case-by-case discretionary review of the fee waiver request and any additional documentation submitted in support of the request.<sup>7</sup>

USCIS’s fee waiver policy applies to filing fees for those applications, petitions, motions, and requests that are eligible for fee waivers as provided in 8 C.F.R. § 103.7(c). It is important to note that USCIS only allows fee waivers on limited immigration benefit requests. In its 2007 USCIS fee rule, DHS provided that a waiver based on inability to pay must be consistent with the status or benefit sought.<sup>8</sup> Accordingly, for instance, a fee waiver will be unavailable in the

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<sup>3</sup> See U.S. Citizenship and Immigration Services Fee Schedule; Final Rule, 75 Fed. Reg. 58,961 (Sept. 24, 2010).

<sup>4</sup> The use of a USCIS-published fee waiver request form is not mandated by regulation. USCIS continues to consider applicant-generated fee waiver requests not filed using Form I-912, but that comply with 8 C.F.R. § 103.7(c). Prior to the creation of Form I-912, fee waiver requests were not standardized and required an affidavit and evidence to support the applicant’s inability to pay.

<sup>5</sup> See 8 C.F.R. § 103.7(c)(1)–(3).

<sup>6</sup> See [\*Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to Adjudicator’s Field Manual \(AFM\) Chapter 10.9, AFM Update AD11-26\*](#).

<sup>7</sup> A fee waiver request may be approved in the absence of additional documentation provided that the individual’s request is detailed sufficiently to substantiate his or her inability to pay the fee.

<sup>8</sup> See Proposed Rule, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule, 72 Fed. Reg. 4888, 4912 (Feb. 1, 2007) (explaining that the proposed rule “limit[s] the possibility of a fee waiver to certain kinds of applications where a need-based waiver is not inconsistent with the status or benefit being sought.”).

case of immigration benefit requests that require demonstration of the applicant's ability to support himself or herself, or that are based on a substantial financial investment by the petitioner.<sup>9</sup>

USCIS policy, as described in this report, does not apply to applications and petitions that have no fee (fee-exempt). The March 13, 2011, memorandum and the instructions for Form I-912 provide that fee waiver requests are considered when:

- The individual is receiving a means-tested benefit;<sup>10</sup>
- The household income level (at or below 150 percent of the Federal Poverty Guidelines) renders the individual unable to pay;<sup>11</sup> or
- Financial hardship, due to extraordinary expenses or other circumstances, otherwise renders the individual unable to pay.<sup>12</sup>

USCIS also may grant fee waivers to applicants or petitioners for certain humanitarian programs on the basis of an inability to pay fees associated with the filing of any benefit requested, including filings not otherwise eligible for a fee waiver or eligible only for conditional fee waivers,<sup>13</sup> by:

- A Violence Against Women Act self-petitioner;
- T nonimmigrants for victims of human trafficking or U nonimmigrants for victims of crimes;<sup>14</sup>
- Battered spouses of A, G, E-3, or H nonimmigrants;<sup>15</sup>
- A battered spouse or child of a lawful permanent resident or U.S. citizen;<sup>16</sup> and
- Individuals granted Temporary Protected Status.<sup>17</sup>

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<sup>9</sup> In 2007, regulations considerably limited which application types could apply for fee waivers from almost all of them to roughly one-third of them. *See Final Rule, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule*, 72 Fed. Reg. 29851, 29874 (May 30, 2007). DHS made no changes to the types of applications that could apply for fee waivers in the 2010 and 2016 fee rules.

<sup>10</sup> A means-tested benefit is a benefit where an individual's eligibility for the benefit, or the amount of the benefit, or both, are determined on the basis of the individual's income and resources, including those that lawfully may be deemed available to the person by the benefit-granting agency. No further information will be required and the fee waiver will be granted if the individual demonstrates that he or she receives a means-tested benefit such as Medicaid or Supplemental Social Security Income.

<sup>11</sup> The individual's household income must be at or below 150 percent of the Federal Poverty Guidelines at the time of filing a request for a fee waiver.

<sup>12</sup> This includes, for example, unexpected medical bills or emergencies.

<sup>13</sup> Examples of filings that are only eligible for a fee waiver in certain situations include Forms I-290B, Notice of Appeal or Motion (only if the underlying application was fee exempt, the fee was waived, or the application was eligible for a fee waiver), and Form I-601, Application for Waiver of Grounds of Inadmissibility (only fee waivable for an applicant who is exempt from the public charge grounds of inadmissibility of section 212(a)(4) of the INA).

<sup>14</sup> *See* INA sections 101(a)(15)(T) and 101(a)(15)(U).

<sup>15</sup> *See* INA section 106.

<sup>16</sup> *See* INA section 240A(b)(2).

<sup>17</sup> *See* INA section 244(a)(3).



In 2016, USCIS updated the Form I-912, Fee Waiver Request, and its instructions to clarify the fee waiver policy by providing additional information about:

- How to calculate income (as adjusted gross income);
- How to determine the household size on the basis of the number of household members and income;
- What information and evidence applicants need to provide to show that they currently receive a means-tested benefit; and
- When a means-tested benefit is considered valid (i.e., benefit document is dated within 12 months from the time of filing).

USCIS may waive fees for an eligible form on the basis of an inability to pay and, in certain circumstances, subject to the specific conditions noted in the regulations and form instructions.<sup>18</sup>

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<sup>18</sup> A list of forms is available in Appendix A.

### III. Data Report

The following table provides FYs 2013–2017 fee waiver data and does not include fee exemptions. The number of fee waiver request receipts increased steadily between FYs 2013 and 2016, with a more substantial increase from FY 2015 to FY 2016. The number of approvals increased from FY 2013 to FY 2016, while the number of denials increased from FY 2014 to FY 2016, after a decrease from FY 2013 to FY 2014.

<b>USCIS Fee Waiver Request Receipts, Approvals, and Denials<sup>19</sup> FYs 2013–2017 Year-to-Date (YTD) Q2</b>				
<b>Fiscal Year</b>	<b>Receipts</b>	<b>Approvals</b>	<b>Denials</b>	<b>Foregone Revenue Estimate<sup>20</sup></b>
2013 Total	541,329	403,227	138,063	\$ 222,833,915
2014 Total	572,835	457,576	115,163	\$ 248,726,775
2015 Total	638,793	518,777	119,935	\$ 283,162,095
2016 Total	753,402	627,959	125,118	\$ 344,293,760
2017 Total	331,277	285,009	45,824	\$ 173,051,835

Notes:

- FY 2017 figures represent fee waivers through March 2017 (FY 2017 second quarter).
- Forms N-400, I-485, I-765, and I-90 account for most of the estimated foregone revenue to fee waivers (84.6 percent, 84.6 percent, 86.4 percent, and 88.0 percent in FYs 2013–2016, respectively). See Appendix D for foregone revenue estimates of the top 10 fee-waived forms.

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<sup>19</sup> Not all fee waiver applications are adjudicated in the same fiscal year that they are received. Likewise, not all approvals and denials occur in the same fiscal year in which a fee waiver request is filed. Thus, the number of approvals and denials does not equal fee waiver request receipts.

<sup>20</sup> Available USCIS fee waiver data lack the granularity necessary to delineate waived fees in cases of forms with multiple filing fees. The higher fee is assumed to estimate the foregone revenue. Additionally, the fee schedule change in December 2016 and the timing of fee waiver approvals may slightly skew FY 2017 foregone revenue estimates because of fee waiver adjudication timeframes (see footnote 21). Finally, automatic biometric services fee waivers associated with underlying forms that require biometrics are not captured adequately and are underreported.

## IV. Conclusion

USCIS issues fee waivers on a discretionary, case-by-case basis, pursuant to the Secretary's discretionary statutory and regulatory authority and in accordance with the 2011 USCIS Policy Memorandum, *Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule*.<sup>21</sup>

The data and policy provided in this report responds to the legislative inquiry regarding USCIS's use of fee waivers.

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<sup>21</sup> DHS is required by INA section 245(l)(7), 8 U.S.C. § 1255(l)(7) to permit certain aliens to apply for a fee waiver. USCIS has the discretion to approve or deny the fee waiver request under applicable regulation and policy.

## V. Appendices

- A. List of forms with available fee waivers
- B. USCIS's Mar. 13, 2011, Policy Memorandum, *Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to the Adjudicators Field Manual (AFM) Chapter 10.9, AFM Update AD11-26* (see supplemental attachment)
- C. USCIS Form I-912, Request for Fee Waiver, and accompanying instructions (see supplemental attachment)
- D. Estimated Foregone Revenue to Fee Waivers (Top 10 Forms)

## Appendix A: List of Forms with Available Fee Waivers

1. Biometric services fee, except for the biometric services fee required for a provisional unlawful presence waiver application (Form I-601A) filed under 8 C.F.R. § 212.7(e) or the biometric services fee required for consideration of deferred action for childhood arrivals (Form I-765);
2. Form [Executive Office of Immigration Review] EOIR-29, Notice of Appeal to the Board of Immigration Appeals from a Decision of an Immigration Officer;
3. Form I-90, Application to Replace Permanent Resident Card;
4. Form I-129, Petition for a Nonimmigrant Worker, only for applicants for E-2 Commonwealth of the Northern Mariana Islands (CNMI) investor nonimmigrant status under 8 C.F.R. § 214.2(e)(23);
5. Form I-131, Application for Travel Document, but only applications for humanitarian parole;
6. Form I-191, Application for Advance Permission to Return to Unrelinquished Domicile;
7. Form I-192, Application for Advance Permission to Enter as Nonimmigrant, only for applicants who are exempt from the public charge grounds of inadmissibility;
8. Form I-193, Application for Waiver for Passport and/or Visa, only for applicants who are exempt from the public charge grounds of inadmissibility;
9. Form I-290B, Notice of Appeal or Motion, only if the underlying application was fee exempt, the filing fee was waived, or it was eligible for a fee waiver;
10. Form I-485, Application to Register Permanent Residence or Adjust Status. A fee waiver is only available for applications on the basis of:
  - Special Immigrant Status based on an approved Form I-360 as an Afghan or Iraqi Interpreter, or Afghan or Iraqi National employed by or on behalf of the U.S. Government.
  - An adjustment provision that is exempt from the public charge grounds of inadmissibility of the Immigration Nationality Act (INA) section 212(a)(4), such as the Cuban Adjustment Act, the Haitian Refugee Immigration Fairness Act, continuous residence in the United States since before January 1, 1972, (“Registry”), Asylum Status, Special Immigrant Juvenile Status, Lautenberg Parolees, or similar provisions.
11. Form I-539, Application to Extend/Change Nonimmigrant Status, only for applicants with any benefit request as specified by INA section 245(l)(7) or applicants for E-2 CNMI investor nonimmigrant status under 8 C.F.R. § 214.2(e)(23);



12. Form I-601, Application for Waiver of Grounds of Inadmissibility, only for applicants who are exempt from the public charge grounds of inadmissibility of INA section 212(a)(4);
13. Form I-694, Notice of Appeal of Decision under Sections 245A or 210 of the INA, if the underlying application or petition was fee exempt, the filing fee was waived, or was eligible for a fee waiver.
14. Form I-751, Petition to Remove Conditions on Residence;
15. Form I-765, Application for Employment Authorization;<sup>22</sup>
16. Form I-817, Application for Family Unity Benefits;
17. Form I-821, Application for Temporary Protected Status;
18. Form I-881, Application for Suspension of Deportation or Special Rule Cancellation of Removal;
19. Form N-300, Application to File Declaration of Intention;
20. Form N-336, Request for a Hearing on a Decision in Naturalization Proceedings;
21. Form N-400, Application for Naturalization;
22. Form N-470, Application to Preserve Residence for Naturalization Purposes;
23. Form N-565, Application for Replacement of Naturalization/Citizenship Document;
24. Form N-600, Application for Certification of Citizenship; and
25. Form N-600K, Application for Citizenship and Issuance of Certificate under Section 322.

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<sup>22</sup> A request for Deferred Action for Childhood Arrivals may not include a fee waiver request for an application for employment authorization.

**Appendix B: USCIS's Policy Memorandum, Fee Waiver Guidelines as  
Established by the Final Rule of the USCIS Fee Schedule; Revisions  
to the Adjudicators Field Manual Chapter 10.9 (March 13, 2011)  
AFM Update AD11-26**



March 13, 2011

PM-602-0011.1

## Policy Memorandum

SUBJECT: Fee Waiver Guidelines as Established by the Final Rule of the USCIS Fee Schedule; Revisions to *Adjudicator's Field Manual* (AFM) Chapter 10.9, AFM Update AD11-26

### Purpose

This Policy Memorandum (PM) provides guidance on processing fee waiver requests filed pursuant to 8 CFR 103.7(c) as amended by changes made in the final rule "U.S. Citizenship and Immigration Services Fee Schedule," published in the *Federal Register* (FR) on September 24, 2010. See 75 FR 58961.

### Scope

Unless specifically exempted herein, this PM applies to and is binding on all USCIS employees. This PM supersedes and rescinds all preceding fee-waiver guidance, including the following memoranda:

- Michael A. Pearson memorandum, *Fee Waiver Relating to Employment Authorization for Victims of Trafficking*, dated May 25, 2001
- William R. Yates memorandum, *Adjustment of Fees of the Immigration Examinations Fee Account*, dated February 1, 2002
- Johnny N. Williams memorandum, *Fee Surcharges and Refund of Fee Surcharges*, dated January 23, 2003
- William R. Yates memorandum, *Correction regarding the fees for filing Form N-600, Application for Certificate of Citizenship, and Form N-600K, Application for Citizenship and Issuance of Certificate under Section 322*, dated July 23, 2003
- William R. Yates memorandum, *Field Guidance on Granting Fee Waivers Pursuant to 8 CFR 103.7(c)*, dated March 4, 2004
- William R. Yates memorandum, *Adjustment of the Immigration Benefit Application Fee Schedule*, dated April 15, 2004
- William R. Yates memorandum, *Fee Waivers for Hurricane Katrina Victims*, dated September 19, 2005
- Don Neufeld memorandum, *Adjustment of the Immigration Benefit Application Fee Schedule*, dated July 12, 2007

- Don Neufeld memorandum, *Fee Waiver Guidelines as Established by the Final Rule of the Immigration and Naturalization Benefit Application and Petition Fee Schedule, Revisions to Adjudicators' Field Manual (AFM) Chapters 10.9(a) (AFM Update AD07-19)*, dated July 20, 2007
- Michael L. Aytes and Rendell Jones memorandum, *Fee Waivers for Victims of Southern California Wildfires*, dated November 27, 2007

### **Authority**

This PM is issued under the authority of Title 8 CFR 103.7(c) and INA section 286(m).

### **Background**

The final rule “U.S. Citizenship and Immigration Services Fee Schedule,” effective November 23, 2010, establishes a new fee schedule for immigration-benefit requests. It also amends the regulations governing fee-waiver eligibility. USCIS has developed the new Form I-912, Request for Fee Waiver, in an effort to facilitate the fee-waiver request process. The form will become available for public use on November 23, 2010. As the use of a USCIS-published fee-waiver request form is not mandated by regulation, USCIS will continue to consider applicant-generated fee-waiver requests (i.e., those not submitted on Form I-912) that comply with 8 CFR 103.7(c).

### **Policy**

It is USCIS policy that individuals may apply for and be granted a fee waiver for certain immigration benefits and services based on an inability to pay. Please consult the revisions to *AFM* Chapter 10.9 in this PM for the complete list of forms and services that are eligible for a fee waiver.

### **Implementation**

USCIS released Form I-912 to provide a standard means for submitting fee-waiver requests. The form is intended to bring clarity and consistency to the fee-waiver process. The Form I-912 instructions provide applicants with guidance on properly completing Form I-912 and submitting supporting documentation. The Form I-912 instructions also give information on the methodology that USCIS uses to make a decision on a fee-waiver request. USCIS uses the same methodology whether the request is submitted on a Form I-912 or via an applicant-generated request. USCIS will continue to consider applicant-generated fee-waiver requests (i.e., those not submitted on Form I-912), but those requests must meet the criteria described in *AFM* Chapter 10.9 in order for the fee to be waived. All pending and newly submitted fee waiver requests will be reviewed under the guidelines in that chapter.

In general, fee-waiver requests will be reviewed by considering, in a step-wise fashion, whether the applicant is receiving a means-tested benefit, whether the applicant’s household income level renders him or her unable to pay, or whether recent financial hardship otherwise renders him or her unable to pay. This PM also provides examples of required or acceptable supporting documentation.

Revisions to the *AFM*

1. Effective March 13, 2011, Chapter 10.9 of the *AFM* is revised to read:

**10.9 Waiver of Fees.**

(a) Submission of Request. A person requesting a waiver of fees for an application, petition, appeal, motion, service or other matter may submit either a **Form I-912, Request for Fee Waiver**, or a written request for permission to have their immigration benefit request processed without payment of the required fee as provided in **8 CFR 103.7(c)** and this chapter. There is no fee required for filing a fee-waiver request.

(1) Applicability. These guidelines apply to filing fees for those applications, petitions, motions, and requests contained in 8 CFR 103.7(b)(1)(i) and (c).

(2) General Fee Waivers. USCIS may waive fees for the following based on an inability to pay:

- Biometrics services fee;
- Form I-90, Application to Replace Permanent Resident Card;
- Form I-191, Application for Advance Permission to Return to Unrelinquished Domicile;
- Form I-751, Petition to Remove Conditions on Residence;
- Form I-765, Application for Employment Authorization;
- Form I-817, Application for Family Unity Benefits;
- Form I-821, Application for Temporary Protected Status;
- Form I-881, Application for Suspension of Deportation or Special Rule Cancellation of Removal (Pursuant to Section 203 of Public Law 105-100 (NACARA));
- Form N-300, Application to File Declaration of Intention;
- Form N-336, Request for a Hearing on a Decision in Naturalization Proceedings (Under Section 336 of the INA);
- Form N-400, Application for Naturalization;
- Form N-470, Application to Preserve Residence for Naturalization Purposes;
- Form N-565, Application for Replacement of Naturalization/Citizenship Document;
- Form N-600, Application for Certification of Citizenship; and
- Form N-600K, Application for Citizenship and Issuance of Certificate under Section 322.

(3) Conditional Fee Waivers. If the application or petition is not listed in paragraph (a)(2) of this chapter, USCIS may waive a fee based on an inability to pay and subject to the conditions specified:



- Form I-131, Application for Travel Document, only for those applying for humanitarian parole (i.e., only for persons that are applying for an Advance Parole Document under Application Type “e” or “f” in Part 2 of the Form I-131);
- Form I-192, Application for Advance Permission to Enter as Nonimmigrant for an applicant who is exempt from the public charge grounds of inadmissibility of section 212(a)(4) of the Immigration and Nationality Act (INA), either by statute or by policy;
- Form I-193, Application for Waiver for Passport and/or Visa for an applicant who is exempt from the public charge grounds of inadmissibility of section 212(a)(4) of the INA, either by statute or by policy;
- Form I-290B, Notice of Appeal or Motion, if the underlying application was fee exempt, the fee was waived, or it was eligible for a fee waiver;
- Form I-485, Application To Register Permanent Residence or Adjust Status, for the following individuals:
  - An Afghan and Iraqi Interpreter who has received a Special Immigrant Visa;
  - A “Registry” applicant filing under section 249 of the INA who has maintained continuous residence in the United States since before January 1, 1972; or
  - An applicant who is exempt from the public charge grounds of inadmissibility under section 212(a)(4) of the INA, including but not limited to the following circumstances:
    - Applications filed by asylees under section 209(b) of the INA;
    - Applications for Special Immigrant Juveniles;
    - Applications under the Cuban Adjustment Act, the Haitian Refugee Immigration Fairness Act (HRIFA), and the Nicaraguan Adjustment and Central American Relief Act (NACARA), or similar provisions; and
    - Applications filed by Lautenberg Parolees.
- Form I-601, Application for Waiver of Grounds of Inadmissibility for an applicant who is exempt from the public charge grounds of inadmissibility of section 212(a)(4) of the INA.

(4) Humanitarian Fee Waivers. Based on an inability to pay, USCIS may waive any fees associated with the filing of any benefit request by a VAWA self-petitioner or under sections 101(a)(15)(T) (T visas), 101(a)(15)(U) (U visas), 106 (battered spouses of A, G, E-3, or H nonimmigrants), 240A(b)(2) (battered spouse or child of a lawful permanent resident or U.S. citizen), and 244(a)(3) (Temporary Protected Status), of the Act (as in effect on March 31, 1997). This would include filings not otherwise eligible for a fee waiver or eligible only for conditional fee waivers such as Forms I-212, I-485, I-539, and I-601.

(5) Documentation. Whether the request is submitted on **Form I-912** or in the form of a written statement, the applicant may submit additional documentation to provide proof of his or her inability to pay. Fee-waiver requests should be decided based upon the request for a fee waiver and any additional documentation submitted in support of the fee waiver request. A fee-waiver request may be approved in the

absence of such additional documentation provided that the applicant's request is sufficiently detailed to substantiate his or her inability to pay the fee. If USCIS determines that the individual did not substantiate his or her inability to pay, then the fee waiver request should be denied.

(6) Submission of Both Fee and Fee Waiver Request. When a form is submitted with both the appropriate fee for the form and a fee-waiver request, the form should be processed, if otherwise acceptable, as properly filed with fee. No subsequent consideration should be given to, nor action taken on the fee-waiver request.

(b) Review of Request.

(1) Inability to Pay. Each fee-waiver request is unique and should be considered on its own merits. A fee-waiver request may be granted when USCIS has determined that the individual is unable to pay the fee. Inability to pay the fee is based on the individual's overall financial picture and household situation, as may be established according to the steps and criteria described below.

(2) Determining Inability to Pay and Adjudicating the Fee-Waiver Request. In determining whether the individual is unable to pay the fee and should be granted a fee waiver, the USCIS employee must proceed according to the following steps and criteria:

- Step 1. Is the individual receiving a means-tested benefit?
  - The individual may demonstrate that he or she is receiving a "means-tested benefit." A means-tested benefit is a benefit where a person's eligibility for the benefit, or the amount of the benefit, or both, are determined on the basis of the person's income and resources, including those that may lawfully be deemed available to the person by the benefit-granting agency. Examples of means-tested benefit programs are Supplemental Nutrition Assistance Program, Medicaid, Supplemental Security Income, and Temporary Assistance for Needy Families.
  - To demonstrate that the individual (or the individual's spouse or the head of the household in which the individual resides) is receiving a means-tested benefit, the applicant should provide proof in the form of a letter, notice, or other official document(s) containing the name of the agency granting the benefit. The document(s) submitted must show the name of the recipient of the means-tested benefit and the name of the benefit received.
  - If the individual provides sufficient proof of the means-tested benefit, the fee waiver will normally be approved, and no further information will be required.

- Step 2. Is the individual's household income at or below 150 percent of the Federal Poverty Guidelines at the time of filing?
  - The individual may demonstrate that his or her household income, on which taxes were paid for the most recent tax year, is at or below 150 percent of the Federal Poverty Level as established in the most recent poverty guidelines. Those guidelines are revised annually by the Secretary of Health and Human Services and are available at <http://aspe.hhs.gov/poverty>. For fee-waiver review purposes, a household may include an applicant, spouse, parent(s) living with the applicant, and any of the following family members:
    - An unmarried child or legal ward under 21 years of age living with the applicant;
    - An unmarried child or legal ward over 21 years of age but under 24 years of age who is a full-time student and living with the applicant when not at school; or
    - An unmarried child or legal ward for whom the applicant is the legal guardian because the individual is physically or mentally disabled to the extent that he or she cannot adequately care for him or herself and cannot establish, maintain, or re-establish his or her own household.
  - The applicant may submit documentation as follows to demonstrate that his or her household income is at or below 150 percent of the Federal Poverty Guidelines at the time of filing:
    - Evidence of current employment or self-employment such as recent pay statements, W-2 forms, statement(s) from the individual's employer(s) on business stationery showing salary or wages paid, or income tax returns (proof of filing of a tax return).
    - Documentation establishing other financial support or subsidies – such as parental support, alimony, child support, educational scholarships and fellowships, pensions, Social Security, veteran's benefits, etc. Financial support or subsidy may include monetary contributions for the payment of monthly expenses received from adult children, dependents, and other people who are living in the individual's household, etc.
    - If available, the individual's Federal tax return(s), listing the members of the household.
    - If the applicant is filing on behalf of, or as a Special Immigrant Juvenile (SIJ), the fee waiver request should be supported by one of the following forms of evidence:
      - A recent state or juvenile court order establishing dependency or custodial assignment of the SIJ; or
      - A letter from a foster care home or similar agency overseeing the SIJ's custodial placement that describes the SIJ's inability to pay; or

- An approval notice on a Form I-797, Notice of Action, for a Form I-360, filed for the SIJ.
- If the individual provides sufficient proof that his or her household income is at or below 150 percent of the Federal Poverty Guidelines at the time of filing, the fee waiver will normally be approved, and no further information will be required.
- Step 3. Is the individual under financial hardship, due to extraordinary expenses or other circumstances, that renders the individual unable to pay the fee?
  - The individual may demonstrate that he or she is under financial hardship due to extraordinary expenses or other circumstances affecting his or her financial situation to the degree that he or she is unable to pay the fee. Examples include unexpected and uninsured (or underinsured) medical bills, situations that could not normally be expected in the regular course of life events, or a medical emergency or catastrophic illness affecting the individual or the individual's dependents. If the individual is under financial hardship, the individual should demonstrate that he or she has suffered a sufficiently negative financial impact as a result of this hardship in a reasonably recent period preceding the filing of the fee-waiver request so as to render the applicant's income during that period insufficient to pay the fee.
  - The applicant may submit documentation as follows to demonstrate that he or she is under financial hardship that renders him or her unable to pay the fee:
    - Documentation of all assets owned, possessed, or controlled by the individual and by his or her dependents. Assets include real estate, property, cash, checking and savings accounts, stocks, bonds, and annuities (except for pension plans and Individual Retirement Accounts (IRAs)).
    - Documentation concerning liabilities and expenses owed by the individual and his or her dependents, and any other expenses for which the individual is responsible. Liabilities and expenses include the cost of rent, mortgages, lease, the average monthly cost of food, utilities, child care and elder care, medical expenses, any tuition costs, commuting costs, and monthly payments of any lawful debts.
    - If the applicant cannot provide evidence of income, he or she should provide a description of the financial hardship and why he or she cannot provide any evidence of income. Affidavits from churches and other community-based organizations indicating that the applicant is currently receiving some benefit from that entity may be used as evidence of income.

- Any other documentation or evidence that demonstrates the individual's inability to pay the fee based on his or her overall financial picture and household situation.
- In reviewing all documentation and information submitted, consider whether cash or assets exist aside from income which could be liquidated without the applicant incurring a hardship. For example, the applicant may own stocks or other assets that could be easily liquidated.

(c) Processing Fee Waiver Requests.

(1) Effective Date. As of November 23, 2010, all pending and newly submitted fee waiver requests must be reviewed under these guidelines. These guidelines apply only to application and petition filing fees contained in **8 CFR 103.7(b)**.

(2) Notation on Form. After careful review of the fee-waiver request and supporting documentation, the fee-waiver approval or denial should be recorded in the receipt block of the underlying form for which the applicant is requesting a fee waiver. The fee-waiver decision should also be noted on the **Form I-912, Request for Fee Waiver**, if that is how the applicant submitted the request. In addition, the signature of the approving officer and any relevant comments should be written on the Form I-912. If the fee-waiver request is denied, send the applicant Form G-1054, Request for Fee Waiver Denial Letter. If reviewing an electronic version of the fee-waiver request, record the fee-waiver approval or denial in an electronic system and note the name of the USCIS employee making the fee-waiver decision.

2. The *AFM* **Transmittal Memoranda** button is revised by adding, in numerical order, the following entry:

AD 11-26 03/13/2011	<b>Chapter 10.9</b>	Provides guidance on considering and approving requests for fee waivers.
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**Use**

This PM is intended solely for the guidance of USCIS personnel in the performance of their official duties. It is not intended to, does not, and may not be relied upon to create any right or benefit, substantive or procedural, enforceable by law or by any individual or other party in removal proceedings, in litigation with the United States, or in any other form or manner.

**Contact Information**

Questions or suggestions regarding this PM should be addressed through appropriate channels to Headquarters Management Directorate, Office of Intake and Document Production.

**Appendix C: USCIS Form I-912, Request for Fee Waiver, and  
accompanying instructions**





**Request for Fee Waiver**  
**Department of Homeland Security**  
**U.S. Citizenship and Immigration Services**

**USCIS**  
**Form I-912**  
OMB No. 1615-0116  
Expires: 04/30/2018

<b>For USCIS Use Only</b>	<b>Application Received At (Select only one box)</b>			
	<input type="checkbox"/> <b>USCIS Field Office</b>		<input type="checkbox"/> <b>USCIS Service Center</b>	
	<input type="checkbox"/> Fee Waiver Approved Date: _____	<input type="checkbox"/> Fee Waiver Denied Date: _____	<input type="checkbox"/> Fee Waiver Approved Date: _____	<input type="checkbox"/> Fee Waiver Denied Date: _____

► **START HERE - Type or print in black ink.**

**If you need extra space to complete any section of this request or if you would like to provide additional information about your circumstances, use the space provided in Part 11. Additional Information. Complete and submit as many copies of Part 11., as necessary, with your request.**

**Part 1. Basis for Your Request** (Each basis is further explained in the **Specific Instructions** section of the Form I-912 Instructions)

Select at least one basis or more for which you may qualify and provide supporting documentation for any basis you select. You only need to qualify and provide documentation for one basis for U.S. Citizenship and Immigration Services (USCIS) to grant your fee waiver. If you choose, you may select more than one basis; you must provide supporting documentation for each basis you want considered.

1. ☐ I am, my spouse is, or the head of household living in my household is currently receiving a means-tested benefit. (Complete **Parts 2. - 4.** and **Parts 7. - 10.**)
2. ☐ My household income is at or below 150 percent of the Federal Poverty Guidelines. (Complete **Parts 2. - 3.**, **Part 5.**, and **7. - 10.**)
3. ☐ I have a financial hardship. (Complete **Parts 2. -3.** and **Parts 6. - 10.**)

**Part 2. Information About You (Requestor)**

Provide information about yourself if you are the person requesting a fee waiver for a petition or application you are filing. If you are the parent or legal guardian filing on behalf of a child or person with a physical disability or developmental or mental impairment, provide information about the child or person for whom you are filing this form.

**1. Full Name**

Family Name (Last Name)

Given Name (First Name)

Middle Name

**2. Other Names Used (if any)**

List all other names you have used, including nicknames, aliases, and maiden name.

Family Name (Last Name)

Given Name (First Name)

Middle Name

**3. Alien Registration Number (A-Number) (if any)**

► A-

**4. USCIS Online Account Number (if any)**

►

**5. Date of Birth (mm/dd/yyyy)**

**6. U.S. Social Security Number (if any)**

►

**Part 2. Information About You (Requestor) (continued)**

## 7. Marital Status

☐ Single, Never Married ☐ Married ☐ Divorced ☐ Widowed ☐ Marriage Annulled ☐ Separated☐ Other (Explain) **Part 3. Applications and Petitions for Which You Are Requesting a Fee Waiver**

1. In the table below, add the form numbers of the applications and petitions for which you are requesting a fee waiver.

Applications or Petitions for You and Your Family Members												
Full Name	A-Number (if any)								Date of Birth	Relationship to You	Forms Being Filed	
	A-									Self		
	A-											
	A-											
	A-											
Total Number of Forms (including self)												

**Part 4. Means-Tested Benefits**If you selected **Item Number 1.** in **Part 1.**, complete this section.

1. If you, your spouse, or the head of household (including parent if the child is under 21 years of age) living with you is receiving any means-tested benefits, list the information in the table below and attach supporting documentation. If you are the parent or legal guardian filing on behalf of a child or person with a physical disability or developmental or mental impairment, provide information about the child or person for whom you are filing this form if he or she is receiving a means-tested benefit.

Means-Tested Benefit Recipients					
Full Name of Person Receiving the Benefit	Relationship to You	Name of Agency Awarding Benefit	Type of Benefit	Date Benefit was Awarded	Date Benefit Expires (or must be renewed)

**Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines**If you selected **Item Number 2.** in **Part 1.**, complete this section.**Your Employment Status**

## 1. Employment Status

☐ Employed (full-time, part-time, seasonal, self-employed) ☐ Unemployed or Not Employed ☐ Retired ☐ Other (Explain)

**Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines (continued)**

2. If you are currently unemployed, are you currently receiving unemployment benefits? ☐ Yes ☐ No

A. Date you became unemployed  
(mm/dd/yyyy)

**Information About Your Spouse**

3. If you are married or separated, does your spouse live in your household? ☐ Yes ☐ No

A. If you answered "No" to **Item Number 3.**, does your spouse provide any financial support to your household? ☐ Yes ☐ No

**Your Household Size**

4. Are you the person providing the primary financial support for your household? ☐ Yes ☐ No

If you answered "Yes" to **Item Number 4.**, type or print your name on the line marked "self" in the table below. If you answered "No" to **Item Number 4.**, type or print your name on the line marked "self" in the table below and add the head of household's name on the line below yours.

Household Size					
Full Name	Date of Birth	Relationship to You	Married	Full-Time Student	Is any income earned by this person counted towards the household income?
		<b>Self</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Total Household Size (including self)					

**Your Annual Household Income**

Provide information about your income and the income of all family members counted as part of your household. You must list all amounts in U.S. dollars.

5. Your Annual Income \$

6. Annual Income of All Family Members

Provide the annual income of all family members counted as part of your household as listed in **Item Number 4.** (Do not include the amount provided in **Item Number 5.**)

\$

7. Total Additional Income or Financial Support \$

Provide the total annual amount you receive in additional income or financial support from a source outside of your household. (Do not include the amount provided in **Item Numbers 5.** or **6.**) You must add all of the additional income and financial support amounts and put the total amount in the space provided. Type or print "0" in the total box if there are none. Select the type of additional income or financial support that you receive and provide documentation.

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Parental Support          | <input type="checkbox"/> Educational Stipends | <input type="checkbox"/> Unemployment Benefits    | <input type="checkbox"/> Financial Support From Adult Children, Dependents, Other People Living in the Household |
| <input type="checkbox"/> Spousal Support (Alimony) | <input type="checkbox"/> Royalties            | <input type="checkbox"/> Social Security Benefits |  |
| <input type="checkbox"/> Child Support             | <input type="checkbox"/> Pensions             | <input type="checkbox"/> Veteran's Benefits       | <input type="checkbox"/> Other (Explain)   |

**Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines (continued)**

8. Total Household Income (add the amounts from **Item Numbers 5., 6., and 7.**) \$

9. Has anything changed since the date you filed your Federal tax returns? (For example, your marital status, income, or number of dependents.) ☐ Yes ☐ No

If you answered "Yes" to **Item Number 9.**, provide an explanation below. Provide documentation if available. You may also use this space to provide any additional information about your circumstances that you would like USCIS to consider.

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**Part 6. Financial Hardship**

If you selected **Item Number 3.** in **Part 1.**, complete this section.

1. If you or any family members have a situation that has caused you to incur expenses, debts, or loss of income, describe the situation in the box below. Specify the amounts of the expenses, debts, and income losses in as much detail as possible. Examples may include medical expenses, job loss, eviction, and homelessness.

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2. If you have cash or assets that you can quickly convert to cash, list those in the table below. For example, bank accounts, stocks, or bonds. (Do not include retirement accounts.)

Assets	
Type of Asset	Value (U.S. Dollars)
Total Value of Assets	



## Part 6. Financial Hardship (continued)

### 3. Total Monthly Expenses and Liabilities

\$

Provide the total monthly amount of your expenses and liabilities. You must add all of the expense and liability amounts and type or print the total amount in the space provided. Type or print "0" in the total box if there are none. Select the types of expenses or liabilities you have each month and provide evidence of monthly payments, where possible.

☐ Rent and/or Mortgage ☐ Loans and/or Credit Cards ☐ Other

☐ Food ☐ Car Payment

☐ Utilities ☐ Commuting Costs

☐ Child and/or Elder Care ☐ Medical Expenses

☐ Insurance ☐ School Expenses

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Part 7. Requestor's Statement, Contact Information, Certification, and Signature

**NOTE:** Read the **Penalties** section of the Form I-912 Instructions before completing this part.

Each person applying for a fee waiver request must complete, sign, and date Form I-912 and provide the required documentation. This includes family members identified in **Part 3**. Signature fields for family members are at the end of this part. If an individual is under 14 years of age, a parent or legal guardian may sign the request on their behalf. USCIS rejects any Form I-912 that is not signed by all individuals requesting a fee waiver and may deny a request that does not provide required documentation.

Select the box for either **Item A.** or **B.** in **Item Number 1.** If applicable, select the box for **Item Number 2.**

### 1. Requestor's Statement Regarding the Interpreter

A. ☐ I can read and understand English, and I have read and understand every question and instruction on this request and my answer to every question.

B. ☐ The interpreter named in **Part 9**, read to me every question and instruction on this request and my answer to every question in , a language in which I am fluent, and I understood everything.

### 2. Requestor's Statement Regarding the Preparer (if applicable)

☐ At my request, the preparer named in **Part 10**, , prepared this request for me based only upon information I provided or authorized.

## Requestor's Contact Information

### 3. Requestor's Daytime Telephone Number

### 4. Requestor's Mobile Telephone Number (if any)

### 5. Requestor's Email Address (if any)

## Requestor's Certification

Copies of any documents I have submitted are exact photocopies of unaltered, original documents, and I understand that USCIS may require that I submit original documents to USCIS at a later date. Furthermore, I authorize the release of any information from any of my records that USCIS may need to determine my eligibility for the immigration benefit I seek.

I further authorize release of information contained in this request, in supporting documents, and in my USCIS records to other entities and persons where necessary for the administration and enforcement of U.S. immigration laws.

I certify, under penalty of perjury, that I provided or authorized all of the information in my request, I understand all of the information contained in, and submitted with, my request, and that all of this information is complete, true, and correct.

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**Part 7. Requestor's Statement, Contact Information, Certification, and Signature (continued)**

**WARNING:** If you knowingly and willfully falsify or conceal a material fact or submit a false document with your Form I-912, USCIS will deny your fee waiver request and may deny any other immigration benefit. In addition, you may face severe penalties provided by law and may be subject to criminal prosecution.

***Requestor's Signature***

6. Requestor's Signature \_\_\_\_\_ Date of Signature (mm/dd/yyyy) \_\_\_\_\_

**NOTE TO ALL REQUESTORS:** If you do not completely fill out this request or fail to submit required documents listed in the Instructions, USCIS may deny your request.

***Family Members' Signatures***

**NOTE:** Each family member **must** type or print their full name and sign in the spaces below. You can find additional family members' signature spaces in **Item Numbers 7. - 10.** below. All family members identified in **Part 3.** must sign and date Form I-912.

I certify that the information provided by the requestor in **Part 7.** applies to me.

7. Family Member 1

Family Member's Name

\_\_\_\_\_

Family Member's Signature

Date of Signature (mm/dd/yyyy)

\_\_\_\_\_

8. Family Member 2

Family Member's Name

\_\_\_\_\_

Family Member's Signature

Date of Signature (mm/dd/yyyy)

\_\_\_\_\_

9. Family Member 3

Family Member's Name

\_\_\_\_\_

Family Member's Signature

Date of Signature (mm/dd/yyyy)

\_\_\_\_\_

10. Family Member 4

Family Member's Name

\_\_\_\_\_

Family Member's Signature

Date of Signature (mm/dd/yyyy)

\_\_\_\_\_

11. Family Member 5

Family Member's Name

\_\_\_\_\_

Family Member's Signature

Date of Signature (mm/dd/yyyy)

\_\_\_\_\_



## Part 8. Family Member's Statement, Contact Information, Certification, and Signature

**NOTE:** Read the **Penalties** section of the Form I-912 Instructions before completing this part.

If the information provided by the requestor in **Part 7**, is not applicable to a family member identified in **Part 3**, (for example, the family member used an interpreter or speaks a different language) that individual should complete **Part 8**. USCIS rejects any Form I-912 that is not signed by all individuals requesting a fee waiver.

Select the box for either **Item A**, or **B**, in **Item Number 1**. If applicable, select the box for **Item Number 2**.

**1. Family Member's Statement Regarding the Interpreter for**

- A.** ☐ I can read and understand English, and I have read and understand every question and instruction on this request and my answer to every question.
- B.** ☐ The interpreter named in **Part 9**, read to me every question and instruction on this request and my answer to every question in , a language in which I am fluent, and I understood everything.

**2. Family Member's Statement Regarding the Preparer for**

- ☐ At my request, the preparer named in **Part 10**, , prepared this request for me based only upon information I provided or authorized.

### Family Member's Contact Information

**3. Family Member's Daytime Telephone Number**

**4. Family Member's Mobile Telephone Number (if any)**

**5. Family Member's Email Address (if any)**

### Family Member's Certification

Copies of any documents I have submitted are exact photocopies of unaltered, original documents, and I understand that USCIS may require that I submit original documents to USCIS at a later date. Furthermore, I authorize the release of any information from any of my records that USCIS may need to determine my eligibility for the immigration benefit I seek.

I further authorize release of information contained in this request, in supporting documents, and in my USCIS records to other entities and persons where necessary for the administration and enforcement of U.S. immigration laws.

I certify, under penalty of perjury, that I provided or authorized all of the information in my request, I understand all of the information contained in, and submitted with, my request, and that all of this information is complete, true, and correct.

### Family Member's Signature

**6. Family Member's Signature**

Date of Signature (mm/dd/yyyy)

**NOTE TO ALL FAMILY MEMBERS:** If you do not completely fill out this request or fail to submit required documents listed in the Instructions, USCIS may deny your request.

## Part 9. Interpreter's Contact Information, Certification, and Signature

1. Did any person filing this request use an interpreter? ☐ Yes, (complete this section) ☐ No (skip to **Part 10.**)
2. Was the same interpreter used for all individuals requesting a fee waiver (as listed in **Part 3.**)? ☐ Yes ☐ No

**NOTE for Family Members:** If you used a different interpreter than the one used by the requestor, make additional copies of **Part 9.**, provide the following information, indicate the family member for whom he or she interpreted, and include the pages with your completed Form I-912.

Provide the following information about the interpreter for

### Interpreter's Full Name

3. Interpreter's Family Name (Last Name)  Interpreter's Given Name (First Name)
4. Interpreter's Business or Organization Name (if any)

### Interpreter's Mailing Address

5. Street Number and Name  Apt. ☐ Ste. ☐ Flr. ☐ Number
- City or Town  State  ZIP Code
- Province  Postal Code  Country

### Interpreter's Contact Information

6. Interpreter's Daytime Telephone Number
7. Interpreter's Mobile Telephone Number (if any)
8. Interpreter's Email Address (if any)

### Interpreter's Certification

I certify, under penalty of perjury, that:

I am fluent in English and , which is the same language specified in **Part 7., Item B. in Item Number 1.**, and I have read to this requestor in the identified language every question and instruction on this request and his or her answer to every question. The requestor informed me that he or she understands every instruction, question, and answer on the request, including the **Applicant's Certification**, and has verified the accuracy of every answer.

### Interpreter's Signature

9. Interpreter's Signature  Date of Signature (mm/dd/yyyy)

**Part 10. Contact Information, Declaration, and Signature of the Person Preparing this Request, if Other Than the Requestor**

1. Did any person prepare this request on your behalf? ☐ Yes, (complete this section) ☐ No, skip
2. Was the same preparer used for all individuals requesting a fee waiver (as listed in **Part 3.**)? ☐ Yes ☐ No

**NOTE for Family Members:** If you used a different preparer than the one used by the requestor, provide the following information, and include the pages with your completed Form I-912.

Provide the following information about the preparer for

**Preparer's Full Name**

3. Preparer's Family Name (Last Name)  Preparer's Given Name (First Name)
4. Preparer's Business or Organization Name (if any)

**Preparer's Mailing Address**

5. Street Number and Name  Apt. ☐ Ste. ☐ Flr. ☐ Number
- City or Town  State  ZIP Code
- Province  Postal Code  Country

**Preparer's Contact Information**

6. Preparer's Daytime Telephone Number
7. Preparer's Mobile Telephone Number (if any)
8. Preparer's Email Address (if any)

**Preparer's Statement**

9. A. ☐ I am not an attorney or accredited representative but have prepared this request on behalf of the requestor and with the requestor's consent.
- B. ☐ I am an attorney or accredited representative and my representation of the requestor in this case ☐ extends ☐ does not extend beyond the preparation of this request.

**NOTE:** If you are an attorney or accredited representative, you may be obliged to submit a completed Form G-28, Notice of Entry of Appearance as Attorney or Accredited Representative, or G-28I, Notice of Entry of Appearance as Attorney In Matters Outside the Geographical Confines of the United States, with this request.

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**Part 10. Contact Information, Declaration, and Signature of the Person Preparing this Request, if Other Than the Requestor (continued)*****Preparer's Certification***

By my signature, I certify, under penalty of perjury, that I prepared this request at the request of the requestor. The requestor then reviewed this completed request and informed me that he or she understands all of the information contained in, and submitted with, his or her request, including the **Applicant's Certification**, and that all of this information is complete, true, and correct. I completed this request based only on information that the requestor provided to me or authorized me to obtain or use.

***Preparer's Signature*****10. Preparer's Signature****Date of Signature (mm/dd/yyyy)**

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## Part 11. Additional Information

If you need extra space to provide any additional information within this request, use the space below. If you need more space than what is provided, you may make copies of this page to complete and file with this request or attach a separate sheet of paper. Include your name and A-Number (if any) at the top of each sheet; indicate the **Page Number**, **Part Number**, and **Item Number** to which your answer refers.

1. Family Name (Last Name)  Given Name (First Name)  Middle Name

2. A-Number (if any) ► A- 

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3. A. Page Number  B. Part Number  C. Item Number

D.

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4. A. Page Number  B. Part Number  C. Item Number

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5. A. Page Number  B. Part Number  C. Item Number

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6. A. Page Number  B. Part Number  C. Item Number

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# Instructions for Request for Fee Waiver

Department of Homeland Security  
U.S. Citizenship and Immigration Services

USCIS  
**Form I-912**  
OMB No. 1615-0116  
Expires 04/30/2018

You may request a fee waiver if you are unable to pay the filing fees or biometric services fees for an application or petition that is eligible for a fee waiver. When you request a fee waiver, you must clearly demonstrate that you are unable to pay the fees.

You can find the list of applications and petitions that are eligible for a fee waiver at [www.uscis.gov/I-912](http://www.uscis.gov/I-912) or refer to 8 CFR 103.7(c)(3). For filing tips and additional information, see [www.uscis.gov/feewaiver](http://www.uscis.gov/feewaiver).

You do not need to submit Form I-912 for an application or petition that does not require a filing fee or if you qualify for a fee exemption based on your immigration status. Refer to the Instructions for each application or petition to see whether you are exempt from paying the fees.

## Forms Eligible for Fee Waiver

Below is a list of applications and petitions U.S. Citizenship and Immigration Services (USCIS) will consider for a fee waiver and the conditions that must be met to be eligible for a fee waiver. Under current fee waiver regulations, USCIS can only approve fee waivers for certain forms or certain filings of a particular form type, when fee waiver requirements are met.

You may file this form to request a fee waiver for any of the following benefit requests or services:

1. Biometric services fee, except for the biometric services fee required for a provisional unlawful presence waiver application (Form I-601A) filed under 8 CFR 212.7(e);
2. Form EOIR-29, Notice of Appeal to the Board of Immigration Appeals from a Decision of an Immigration Officer;
3. Form I-90, Application to Replace Permanent Resident Card;
4. Form I-129, Petition for a Nonimmigrant Worker, but only if you are an applicant for E-2 CNMI investor nonimmigrant status under 8 CFR 214.2(e)(23);
5. Form I-131, Application for Travel Document, but only if you are applying for humanitarian parole;
6. Form I-191, Application for Advance Permission to Return to Unrelinquished Domicile;
7. Form I-192, Application for Advance Permission to Enter as Nonimmigrant, but only if you are an applicant who is exempt from the public charge grounds of inadmissibility;
8. Form I-193, Application for Waiver for Passport and/or Visa, but only if you are an applicant who is exempt from the public charge grounds of inadmissibility;
9. Form I-290B, Notice of Appeal or Motion, but only if your underlying application was fee exempt, the filing fee was waived, or it was eligible for a fee waiver;
10. Form I-485, Application to Register Permanent Residence or Adjust Status. A fee waiver is only available if you are applying for lawful permanent resident status based on:
  - A. Special Immigrant Status based on an approved Form I-360 as an Afghan or Iraqi Interpreter, or Afghan or Iraqi National employed by or on behalf of the U.S. Government;
  - B. An adjustment provision that is exempt from the public charge grounds of inadmissibility of the Immigration and Nationality Act (INA) section 212(a)(4), such as the Cuban Adjustment Act, the Haitian Refugee Immigration Fairness Act, continuous residence in the United States since before January 1, 1972, ("Registry"), Asylum Status, Special Immigrant Juvenile Status, or similar provisions;



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11. Form I-539, Application to Extend/Change Nonimmigrant Status, but only if you are an applicant with any benefit request as specified by INA section 245(l)(7) or an applicant for E-2 Commonwealth of the Northern Mariana Islands (CNMI) investor nonimmigrant status under 8 CFR 214.2(e)(23);
  12. Form I-601, Application for Waiver of Grounds of Inadmissibility, but only if you are an applicant who is exempt from the public charge grounds of inadmissibility of INA section 212(a)(4);
  13. Form I-694, Notice of Appeal of Decision Under Sections 245A or 210 of the Immigration and Nationality Act, if your underlying application or petition was fee exempt, the filing fee was waived, or was eligible for a fee waiver;
  14. Form I-751, Petition to Remove Conditions on Residence;
  15. Form I-765, Application for Employment Authorization, unless you are filing under category (c)(33), Deferred Action for Childhood Arrivals (DACA);
  16. Form I-817, Application for Family Unity Benefits;
  17. Form I-821, Application for Temporary Protected Status;
  18. Form I-881, Application for Suspension of Deportation or Special Rule Cancellation of Removal;
  19. Form N-300, Application to File Declaration of Intention;
  20. Form N-336, Request for a Hearing on a Decision in Naturalization Proceedings;
  21. Form N-400, Application for Naturalization;
  22. Form N-470, Application to Preserve Residence for Naturalization Purposes;
  23. Form N-565, Application for Replacement of Naturalization/Citizenship Document;
  24. Form N-600, Application for Certification of Citizenship; and
  25. Form N-600K, Application for Citizenship and Issuance of Certificate under Section 322.

You may also apply for a fee waiver for ANY application or petition that is related to status as a:

1. Battered spouses of A, G, E-3, or H nonimmigrants (such as Forms I-485, I-601 and I-212);
2. Battered spouse or child of a lawful permanent resident or U.S. citizen under INA section 240A(b)(2);
3. T nonimmigrant (such as Forms I-192, I-485, and I-601);
4. Temporary Protected Status (such as Forms I-131, I-821 and I-601);
5. U nonimmigrant (such as Forms I-192, I-485, and I-929); or
6. VAWA self-petitioner (such as Forms I-485, I-601 and I-212).

You may not file Form I-912 if you are requesting consideration DACA. There are no fee waivers for DACA. Fee exemptions will be available in limited circumstances. See the Deferred Action for Childhood Arrivals Fee exemption at [www.uscis.gov/forms/forms-and-fees/guidance-exemption-fee-form-i-765-filed-request-consideration-deferred-action-childhood-arrivals](http://www.uscis.gov/forms/forms-and-fees/guidance-exemption-fee-form-i-765-filed-request-consideration-deferred-action-childhood-arrivals) for more details.

You do not need to file Form I-912 for applications and petitions that do not require a filing fee. Other USCIS applications and petitions have fee exemption requirements for certain types of applicants and petitioners. In these cases, the USCIS form and instructions will outline the fee exemption and submission if a separate Form I-912 is not required. If your form is not listed, please see the specific form instructions for additional information or call the USCIS National Customer Service Center at **1-800-375-5283**.

You must file this fee waiver request with all applications and petitions for which you are requesting a fee waiver. You do not have to file a separate Form I-912 for the filing fee and the biometric services fee. If USCIS approves your Form I-912, we will waive both the filing fee and biometric services fee.

You may file one Form I-912 for all family-related applications or petitions filed at the same time. For example, if you file Form I-765, Application for Employment Authorization, and your spouse and children are filing separate Form I-765s at the same time, you only need to file one Form I-912 for all Form I-765s. You must send all forms together.

## General Instructions

USCIS provides all forms free of charge. The latest versions are available at [www.uscis.gov/forms](http://www.uscis.gov/forms). In order to best view, print, or fill out our forms, you should use the latest version of Adobe Reader, which you can download for free at [get.adobe.com/reader](http://get.adobe.com/reader). If you do not have Internet access or have questions about this request, you may call the USCIS National Customer Service Center at **1-800-375-5283** and ask that we mail a form to you. For TTY (deaf or hard of hearing) call: **1-800-767-1833**.

**Signature.** Each request must be properly signed and filed. For all signatures on this request, USCIS will not accept a stamped or typewritten name in place of a signature. If you are under 14 years of age, your parent or legal guardian may sign the request on your behalf. A legal guardian may also sign for a mentally incompetent person.

**Evidence.** At the time of filing, you must submit all evidence and supporting documentation required under the **Specific Instructions** section of these Instructions.

**Copies.** You may submit legible photocopies of documents requested, unless these Instructions specifically state that you must submit an original document. USCIS may request an original document at the time of filing or at any time during processing of an application, petition, or request. If you submit original documents when not required, the documents may remain a part of the record, and USCIS will not automatically return them to you.

**Translations.** If you submit a document with information in a foreign language, you must also submit a full English translation. The translator must sign a certification that the English language translation is complete and accurate, and that he or she is competent to translate from the foreign language into English.

## How To Fill Out Form I-912

1. Type or print legibly in black or dark blue ink. If a section does not apply to you, type or print "N/A," which stands for "not applicable." Fully and accurately answer all questions that apply to the basis for your request.
2. If you need extra space to complete any item within this request, use the space provided in **Part 11. Additional Information**. You may also attach as many separate sheets of paper as needed; type or print your name and Alien Registration Number (A-Number) (if any) at the top of each sheet and indicate the **Page Number**, **Part Number**, and **Item Number** to which your answer refers.

## Specific Instructions

### Part 1. Basis for Your Request

**Item Numbers 1. - 3.** Select a basis for your request. You are not required to complete the entire section of this request. Rather, select one basis or more for which you may qualify and complete the corresponding section as explained below in Parts 4., 5., and 6.

### Part 2. Information About You (Requestor)

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**Item Number 1. Full Name.** Provide your full name. If you have two last names, include both in the Family Name box and use a hyphen (-) if appropriate. If you do not have a middle name, type or print “N/A.”

**Item Number 2. Other Names Used** (if any). Provide all other names you have used, including your maiden name.

**Item Number 3. Alien Registration Number (A-Number)** (if any). An A-Number is a number assigned by USCIS or the former Immigration and Naturalization Service (INS). People with A-Numbers can locate the number on their USCIS-issued or INS-issued documentation. If the intending immigrants you are sponsoring were not previously in the United States or were only in the United States as tourists, they may not have A-Numbers.

**Item Number 4. USCIS ELIS Account Number** (if any). If you were issued a USCIS Electronic Immigration System (USCIS ELIS) Account Number, enter it in the space provided. The USCIS ELIS Account Number is not the same as an A-Number.

**Item Number 5. Date of Birth** (mm/dd/yyyy). Provide your date of birth in mm/dd/yyyy format. For example, enter May 1, 1979, as 05/01/1979.

**Item Number 6. U.S. Social Security Number** (if any). Provide your U.S. Social Security number.

**Item Number 7. Marital Status.** Indicate your current marital status.

### **Part 3. Applications and Petitions for Which You are Requesting a Fee Waiver**

**Item Number 1.** Complete the table for yourself and each person requesting a fee waiver with you. Provide the form numbers and the total number of applications and petitions for which you and any family members are requesting a fee waiver.

### **Part 4. Means-Tested Benefits**

**Item Number 1.** If you, your spouse, or the head of household living with you receives a means-tested benefit, complete the table. You must attach supporting documentation. If you provide sufficient proof that you receive a means-tested benefit, your fee waiver will generally be approved.

A means-tested benefit is a public benefit where a person’s eligibility for the benefit, the amount of the benefit, or both, is based on the person’s income and resources. USCIS will consider means-tested benefits that are Federally, state, or locally funded and granted by the benefit agency.

Examples of means-tested benefit programs are Medicaid, Supplemental Nutrition Assistance Program (known as “SNAP” and formerly called Food Stamps), Temporary Assistance to Needy Families (TANF), and Supplemental Security Income (SSI), among others. Consult with your benefit-granting agency or your legal advisor to determine whether any Federal, state, or local public benefit that you may receive qualifies as a means-tested benefit.

For the purposes of determining an inability to pay the filing fee of the petition or application, the following are not considered means-tested benefits: Medicare; unemployment benefits; Social Security retirement benefits; Social Security Disability Insurance (SSDI); Social Security Retirement, Survivors, and Disability Insurance (RSDI); or student financial aid.

#### **1. Individual Receipt of a Means-Tested Benefit**

- A.** The individual may demonstrate that he or she is personally receiving a means-tested benefit.
- B.** If a child is the sole applicant, he or she may provide an individual means-tested benefit or a custodial parent’s means-tested benefit, if living in the same household.
- C.** If multiple children are filing at the same time, each child must have an individual receipt of a means-tested benefit or be under the parent’s household who is receiving a means-tested benefit.

#### **2. Family Members’ Means-Tested Benefits**

- A.** Your spouse and unmarried children under 21 years of age living with you will normally qualify for a fee waiver as part of your household if you are receiving means-tested benefits.

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- B. If your spouse is receiving a means-tested benefit, you will normally qualify for a fee waiver as long as you are residing with your spouse and are not legally separated.
  - C. You may not use a means-tested benefit received by a child or household member, other than a spouse, as the basis for eligibility in **Part 4. Means-Tested Benefits**, but you may use it to support a fee waiver request in **Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines** or under **Part 6. Financial Hardship** if the award letter or benefit approval document indicates the total household income.
  - D. If you are 21 years of age or older, you cannot use a parent's means-tested benefits (such as SSI), even if the parent is living with you, as evidence of your eligibility for a fee waiver. However, you may use this information to support a fee waiver request in **Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines** or under **Part 6. Financial Hardship** if the award letter or benefit approval document indicates the total household income and you are otherwise eligible under those criteria.

### 3. Documentation

- A. To qualify for a fee waiver, the evidence that you provide must demonstrate that you are currently receiving the means-tested benefit. This evidence can be in the form of a letter, notice, or other agency documents that indicate that the benefit is being received.
- B. Documentation must contain:
  - (1) Your name (or the name of the person receiving the benefit);
  - (2) The name of the agency granting the public benefit;
  - (3) The type of benefit; and
  - (4) An indication that the benefit is currently being received (for example, a recently dated letter or document with effective dates, date of renewal or period the approval ends, if available).
- C. If the documentation is more than 12 months old and the benefit is still being received, provide additional evidence that shows the benefit is currently being received.

### Part 5. Income at or Below 150 Percent of the Federal Poverty Guidelines

To qualify for the fee waiver, your household income must be at or below 150 percent of the Federal Poverty Guidelines, at the time of filing, based on your household size. The Federal Poverty Guidelines are established by the Secretary of the Department of Health and Human Services annually. To obtain information on the current Federal Poverty Guidelines, visit our Web site at [www.uscis.gov/I-912P](http://www.uscis.gov/I-912P) and review Form I-912P, Poverty Guidelines for Fee Waiver Request.

#### Your Employment Status

**Item Number 1. Employment Status.** Indicate your current employment status. If you are both employed and a student, select Other and provide an explanation.

**Item Number 2.** Indicate if you are currently receiving unemployment benefits. If applicable, provide the date that you became unemployed and include the total amount of unemployment benefits you have received in **Item Number 7**.

#### Information About Your Spouse

**Item Number 3.** Indicate whether your spouse is living with you. If your spouse lives with you, list your spouse in the table provided in **Item Number 4**. If applicable, indicate whether your spouse provides any financial support to your household. If your spouse provides any financial support to your household, include any contributions that your spouse provides to your household in **Item Number 7**.

#### Your Household Size

**Item Number 4.** Indicate whether you are providing the primary financial support for your household.

Complete the table with the information requested about the members of your household including their names, dates of birth, relationship to you, whether the person is married, whether the person is a full-time student, and whether the person earns income counted towards household income.

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For the last column (Is any income earned by this person counted towards the household income?), select yes if income is received consistently or regularly as wages or salary from these household members' employment or business.

At the end of the table, provide the total number of household members. Include the following people, who are dependent on your income, your spouse's income, or the head of household's income, as part of your household size:

1. You;
2. The head of your household (if not you). If the child is applying individually, provide the information of the primary custodial parent;
  - A. You are the head of household if you filed the most recent Federal tax return for your household (includes filing as head of household) or earned the majority of the income for your household.
  - B. If you are not the head of household, the head of household is the person who filed the most recent Federal tax return on which you are listed as a dependent or the person who provides the majority of your household's income. If you already have or are applying for Special Immigrant Juvenile (SIJ) classification, do not include any foster or group home household members.
3. Your spouse, if living with you (if you are separated or your spouse is not living with you, do not include your spouse); or
4. Any family members living in your household who are dependent on your income, your spouse's income, or the head of household's income, including:
  - A. Your children or legal wards who are unmarried and under 21 years of age, and who live with you;
  - B. Your children or legal wards who are unmarried, are over 21 years of age but under 24 years of age, are full-time students, and who live with you when not at school;
  - C. Your children or legal wards who are unmarried and for whom you are the legal guardian because they are physically or developmentally disabled or mentally impaired to the extent that they cannot adequately care for themselves and cannot establish, maintain, or re-establish their own household;
  - D. Your parents who live with you; and
  - E. Any other dependents listed on your Federal tax return or your spouse or head of household's Federal tax returns.

### **Your Annual Household Income**

**Item Number 5. Your Annual Income.** Provide information on your annual income. If you filed a Federal tax return, enter the amount from Line 37 (adjusted gross income) on Internal Revenue Service (IRS) Form 1040, U.S. Individual Income Tax Return. If you have not filed a Federal tax return, take your total household wage income (before any deductions) for the previous 12-month period and enter that amount as your household's annual income. If you have not filed a Federal income tax return but you have an IRS Form W-2, Wage and Tax Statement, that covers the previous 12-month period, take your total wage income, deduct Federal, state, and local income taxes withheld, and enter that amount as your household's annual wage income.

**Documentation.** To document your annual income, provide the following information:

1. A copy of your most recent Federal tax return;
2. If you did not file a Federal tax return, or if your Federal tax return does not properly reflect your current income, submit copies of consecutive pay statements (stubs) for a minimum of the past month, recent Form W-2, Form SSA-1099, or statements from your employers on business stationery showing salary or wages paid;
3. If you are a student and not living with your parents or are not claimed as a dependent on your parents' Federal tax return, do not include your parents' incomes. You should only provide proof of your income or documentation that shows you are not required to file a Federal or state tax return, such as proof that you are a full-time student as supporting documentation;



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4. If you are recently unemployed, and your annual income on your Federal tax return or other proof of income is above 150 percent of the Federal Poverty Guidelines, describe your particular situation that you believe qualifies you for a fee waiver in **Part 5., Item Number 9.** Provide information regarding any unemployment benefits you are currently receiving;
  5. If you do not have any income, financial support, or cannot provide evidence of income, describe your particular situation that you believe qualifies you for a fee waiver in **Part 5., Item Number 9.** If available, you may submit affidavits from, for example, religious institutions, non-profits, community-based organizations, or similarly recognized organizations, indicating that you are currently receiving some benefit or support from the organization verifying (or attesting to) your situation; and
  6. If you are filing Form I-485, Application to Register Permanent Residence or Adjust Status, based on SIJ classification, accompany the fee waiver request by evidence that the applicant was approved or filed for SIJ classification (for example, Form I-360, Petition for Amerasian, Widow(er), or Special Immigrant,; or a copy of Form I-797, Notice of Action, for Form I-360). SIJ Applicants seeking adjustment of status based on such classification are not required to complete **Parts 4. - 6.** of Form I-912 nor show proof of income.

**Item Number 6. Annual Income of All Household Members.** Provide the annual income from all family members counted as part of your household.

1. If a person lives with you, but does not contribute financial support to your household, then you should not include this person's income when calculating your household income.
2. If you are separated or still married, but do not live with your spouse, do not include your spouse's income. However, you must include any financial support your spouse provides to your household in **Item Number 7.**
3. If you are applying for any immigration benefits (such as for adjustment of status) based on the Violence Against Women Act (VAWA), or T or U nonimmigrant status under the Victims of Violence and Trafficking Protection Reauthorization Act, do not provide your spouse's income.
4. If you are a full-time student, over 21 years of age but under 24 years of age, are unmarried, and are living with your parents, or you are claimed as a dependent on your parents' Federal tax return, include your parents' income. You must provide a copy of both parents' Federal tax returns and your own Federal tax return, or provide proof of income as supporting documentation.
5. If members of your household are recently unemployed, and your annual household income on your Federal tax return or other proof of income is above 150 percent of the Federal Poverty Guidelines, describe your particular situation that you believe qualifies you for a fee waiver in **Part 5., Item Number 9.**

**Documentation.** To document your household members' incomes, provide the following:

1. A copy of each household member's most recent Federal tax return;
2. If the household member did not file a Federal tax return, or if the tax return does not properly reflect their current income, submit copies of consecutive pay statements (stubs) for a minimum of the past month, a recent Form W-2, Form SSA-1099, or employer statements on business stationery showing salary or wages paid; or
3. If you do not have any income or cannot provide evidence of income for your household, describe your particular situation in **Part 5., Item Number 9.** If applicable, you may submit affidavits from religious institutions, non-profits, or community-based organizations verifying that you are currently receiving some benefit or support from them.

**Item Number 7. Total Additional Income or Financial Support.** Provide additional income or financial support from a source outside your household. Type or print "0" if you have no additional income. You must include any consistent or regular financial support or additional income contributed to your household by any person living with you or not living with you, even if it is not part of the household for tax purposes.

Select any type of additional income you are receiving including any amount of money that you receive annually that is not included in **Item Number 5. or 6.**



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**Documentation.** You must document additional financial assistance as income. Include the following information:

1. Documentation such as parental support; alimony; child support; educational stipends; pensions; Social Security; royalties, pensions, veterans benefits; unemployment benefits; and consistent or regular financial support from adult children, parents, dependents, or other people living in your household.
2. A court order of any child support or documentation that indicates the actual amount of child support amount being received (for example, bank statements or IRS Form W-2), or documentation from an agency providing the other income or financial assistance.
3. If you are receiving unemployment benefits, the tax document, IRS Form 1099-MISC, is not enough to establish total income. You must also provide a copy of your IRS Form 1040.

**Item Number 8. Total Household Income.** Provide the total household income. Add the amounts from **Item Numbers 5., 6., and 7.** USCIS will compare this amount to the Federal Poverty Guidelines.

If you do not have any income, financial support, or cannot provide evidence of income, describe your particular situation that you believe qualifies you for a fee waiver in **Part 5., Item Number 9.** If applicable, you may submit affidavits from religious institutions, non-profits, or community-based organizations verifying that you are currently receiving some benefit or support from them.

**Item Number 9.** Indicate whether any information (including marital status, income, and list of dependents) in your Federal tax returns is different from what you indicate in Form I-912. Provide the reasons for any changes in circumstances and any differences between the tax returns and information in your Form I-912. If you need to explain anything else about your circumstances that affect the income determination, use the space provided in **Part 11.**

**Additional Information.**

## **Part 6. Financial Hardship**

**Item Number 1.** Provide details about your financial hardship. This may include, but is not limited to, medical expenses of family members, unemployment, eviction, and homelessness. You may also complete this section if your income is above 150 percent of the Federal Poverty Guidelines as defined in **Part 5.** and you believe you have special circumstances that warrant a fee waiver.

**Documentation.** You must document your income and provide a complete list, description, and an estimate of the value of your assets that you can easily convert into cash and any liabilities.

**Item Number 2.** List the types of assets you have, the dollar value of those assets, and the total dollar value of your assets. Include the following assets:

1. Cash, checking and savings accounts, annuities, stocks, and bonds. These are assets that easily convert into cash; and
2. Other property or assets that you can easily convert into cash without incurring a hardship.

Do not include your pension plans and Individual Retirement Accounts (IRA).

**Documentation.** Provide documentation of your income and any evidence regarding the types and value of your assets.

**Item Number 3. Total Monthly Expenses and Liabilities.** Provide your average monthly costs for all applicable categories provided.

**Documentation.** Provide evidence, where possible, such as copies of monthly bills and payments, and documentation for monthly expenses and any extenuating circumstances, such as medical bills. If you cannot provide evidence of income, you may submit affidavits from religious institutions, non-profits, or community-based organizations verifying that you are currently receiving some benefit or support from them.

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## **Part 7. Requestor's Statement, Contact Information, Certification, and Signature**

**Item Numbers 1. - 6.** Select the appropriate box to indicate whether you read this request yourself or whether you had an interpreter assist you. If someone assisted you in completing the request, select the box indicating that you used a preparer. Further, you must sign and date your request and provide your daytime telephone number, mobile telephone number (if any), and email address (if any). Every request **MUST** contain the signature of the requestor (or parent or legal guardian, if applicable). A stamped or typewritten name in place of a signature is not acceptable.

**Item Numbers 7. - 11.** Each person applying for a fee waiver must sign and date Form I-912. This includes family members identified in **Part 3**. If an individual is under 14 years of age, a parent or legal guardian may sign the request on his or her behalf. USCIS will reject any Form I-912 that is not signed by all individuals requesting a fee waiver.

## **Part 8. Family Member's Statement, Contact Information, Certification, and Signature**

**NOTE:** If the information provided by the requestor in **Part 7** is not applicable to a family member identified in **Part 3**, (for example, the family member used a different interpreter or speaks a different language) that individual should complete **Part 8**. Make additional copies of **Part 8** for each family member to sign, as applicable, and include the pages with your completed Form I-912. USCIS will reject any Form I-912 that is not signed by all individuals requesting a fee waiver.

**Item Numbers 1. - 6.** Select the appropriate box to indicate whether you, the family member, read this request yourself or whether you had an interpreter assist you. If someone assisted you in completing the request, select the box indicating that you used a preparer. Further, you must sign and date your request and provide your daytime telephone number, mobile telephone number (if any), and email address (if any). Every request **MUST** contain the signature of the requestor (or parent or legal guardian, if applicable). A stamped or typewritten name in place of a signature is not acceptable.

## **Part 9. Interpreter's Contact Information, Certification, and Signature**

**NOTE for Family Members:** If you used a different interpreter than the one used by the requestor, make additional copies of **Part 9**, provide the following information, and include the pages with your completed Form I-912.

**Item Numbers 1. - 9.** If you used anyone as an interpreter to read the Instructions and questions on this request to you in a language in which you are fluent, the interpreter must fill out this section, provide his or her name, the name and address of his or her business or organization (if any), his or her daytime telephone number, his or her mobile telephone number (if any), and his or her email address (if any). The interpreter must sign and date the request.

## **Part 10. Contact Information, Declaration, and Signature of the Person Preparing this Request, if Other Than the Requestor**

**NOTE for Family Members:** If you used a different preparer than the one used by the requestor, make additional copies of **Part 10**, provide the following information, and include the pages with your completed Form I-912.

**Item Numbers 1. - 10.** This section must contain the signature of the person who completed your request, if other than you, the requestor. If the same individual acted as your interpreter **and** your preparer, that person should complete both **Part 9** and **Part 10**. If the person who completed this request is associated with a business or organization, that person should complete the business or organization name and address information. Anyone who helped you complete this request **MUST** sign and date the request. A stamped or typewritten name in place of a signature is not acceptable. If the person who helped you prepare your request is an attorney or accredited representative, he or she may be obliged to also submit a completed Form G-28, Notice of Entry of Appearance as Attorney or Accredited Representative, or Form G-28I, Notice of Entry of Appearance as Attorney In Matters Outside the Geographic Confines of the United States, along with your request.

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## Part 11. Additional Information

**Item Numbers 1. - 6.** If you need extra space to provide any additional information within this request, use the space provided in **Part 11. Additional Information**. If you need more space than what is provided in **Part 11.**, you may make copies of **Part 11.** to complete and file with your request, or attach a separate sheet of paper. Include your name and A-Number (if any) at the top of each sheet and indicate the **Page Number**, **Part Number**, and **Item Number** to which your answer refers.

**We recommend that you print or save a copy of your completed request to review in the future and for your records.**

### What Is the Filing Fee?

There is no filing fee for Form I-912.

### Where To File?

Mail your Form I-912, along with the completed USCIS applications or petitions, and all supporting documentation according to the **Where to File** section in the Instructions of the application or petitions for which you are requesting a fee waiver.

### Processing Information

**Decision.** The decision on Form I-912 involves a determination of whether you have established eligibility for the fee waiver. USCIS will notify you of the decision in writing. If USCIS denies your fee waiver request, the notice will include information on resubmitting your application or petition. For certain immigration benefits, you may have only a limited period of time in which to resubmit your application or petition with the proper filing fee. Please review the Instructions for the application or petition for which you want USCIS to consider a fee waiver to determine when to refile.

### Penalties

If you knowingly and willfully falsify or conceal a material fact or submit a false document with your Form I-912, USCIS will deny your fee waiver request and may deny any other immigration benefit. In addition, you may face severe penalties provided by law and may be subject to criminal prosecution.

### USCIS Privacy Act Statement

**AUTHORITIES:** The information requested on this request, and the associated evidence, is collected under the Immigration and Nationality Act, section 286, and 8 CFR 103.7(c).

**PURPOSE:** The primary purpose for providing the requested information on this request is to determine if you have established eligibility for the immigration benefit for which you are filing. The Department of Homeland Security (DHS) will use the information you provide to grant or deny the immigration benefit you are seeking.

**DISCLOSURE:** The information you provide is voluntary. However, failure to provide the requested information, and any requested evidence, may delay a final decision in your case or result in denial of your request and rejection of your application or petition based on non-payment of the filing fee.

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**ROUTINE USES:** DHS may share the information you provide on this request with other Federal, state, local, and foreign government agencies and authorized organizations. DHS follows approved routine uses described in the associated published system of records notices [DHS-USCIS-007 - Benefits Information System and DHS-USCIS-001 - Alien File, Index, and National File Tracking System of Records] which you can find at [www.dhs.gov/privacy](http://www.dhs.gov/privacy). DHS may also share the information, as appropriate, for law enforcement purposes or in the interest of national security.

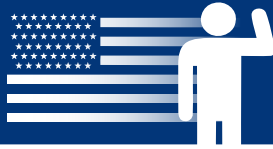
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An agency may not conduct or sponsor an information collection, and a person is not required to respond to a collection of information, unless it displays a currently valid OMB control number. The public reporting burden for this collection of information is estimated at 1 hours and 10 minutes per response, including the time for reviewing instructions, gathering the required documentation and information, completing the request, preparing statements, attaching necessary documentation, and submitting the request. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Citizenship and Immigration Services, Regulatory Coordination Division, Office of Policy and Strategy, 20 Massachusetts Ave NW, Washington, DC 20529-2140; OMB No. 1615-0116. **Do not mail your completed Form I-912 to this address.**

## Appendix D: Estimated Foregone Revenue to Fee Waivers (Top 10 Forms)

Estimated Foregone Revenue to Fee Waivers (Top 10 Forms)					
Form Number	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 YTD*
N-400	\$ 93,094,890	\$ 90,868,995	\$ 105,961,765	\$ 135,091,180	\$ 58,345,800
I-485	\$ 51,291,905	\$ 59,470,360	\$ 66,815,505	\$ 83,517,165	\$ 52,706,895
I-765	\$ 28,574,480	\$ 39,042,340	\$ 45,944,660	\$ 54,749,640	\$ 25,900,895
I-90	\$ 15,663,245	\$ 21,093,350	\$ 25,858,790	\$ 29,696,765	\$ 16,881,915
I-192	\$ 14,860,755	\$ 18,081,765	\$ 16,523,325	\$ 16,509,870	\$ 1,321,830
N-600	\$ 12,943,200	\$ 12,234,600	\$ 14,163,000	\$ 16,103,400	\$ 11,668,110
I-131	\$ 546,480	\$ 983,880	\$ 1,705,320	\$ 2,255,760	\$ 2,579,820
I-751	\$ 1,191,800	\$ 1,525,100	\$ 1,332,190	\$ 1,254,925	\$ 887,220
I-290B	\$ 938,860	\$ 1,371,100	\$ 1,270,250	\$ 1,157,780	\$ 637,785
N-565	\$ 929,085	\$ 957,030	\$ 943,575	\$ 944,265	\$ 628,395
All Other	\$ 2,799,215	\$ 3,098,255	\$ 2,643,715	\$ 3,013,010	\$ 1,493,170
<b>Total</b>	<b>\$ 222,833,915</b>	<b>\$ 248,726,775</b>	<b>\$ 283,162,095</b>	<b>\$ 344,293,760</b>	<b>\$ 173,051,835</b>

\*FY 2017 figures represent fee waivers through March 2017 (FY 2017 second quarter).



# Immigrants & Citizenship

Immigrants contribute to the economic vibrancy of communities across the country—contributions that could be dramatically expanded if more immigrants became naturalized citizens. In 2012,<sup>1</sup> nearly 8.8 million immigrants were eligible to naturalize, but due to barriers such as the prohibitive cost of the application and lack of information around eligibility and how to apply, only 757,000 legal permanent residents (LPRs) were naturalized that year. This fact sheet—the eleventh in our series on immigrants and the economy—details five ways naturalized citizens bolster the U.S. economy, and why comprehensive immigration reform that includes a pathway to citizenship will maximize immigrants' contributions nationwide. Access AS/COA's Get the Facts series at: [www.as-coa.org/immigration-facts](http://www.as-coa.org/immigration-facts).

—September 2014

## Five Ways Naturalized Citizens Contribute to the U.S. Economy



### 1 Naturalized citizens earn higher incomes, leading to increased purchasing power and contributions to GDP.

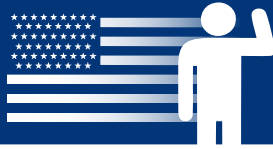
- Immigrants would see a 25.1 percent increase in their income when granted legal status and ultimately citizenship—with 40 percent of that gain coming from naturalization alone—generating more taxable income and greater purchasing power.<sup>2</sup>
- If the U.S. naturalized 1 million immigrants—just 4 percent more than were naturalized during the peak year of 2008—the cumulative increase in their earnings over a 10-year period would amount to between \$21.1 billion and \$29.4 billion, providing a much-needed injection of capital into the still-recovering U.S. economy.<sup>3</sup>
- Should half of all eligible LPRs become naturalized within 10 years, at minimum, U.S. GDP would increase \$1.17 for every \$1 increase in their total annual earnings. If 1.5 million immigrants were naturalized every year over the same period, it would translate into a GDP increase of between \$26 billion and \$52 billion.<sup>4</sup>



### 2 Naturalized immigrants are essential to keeping Social Security and other programs such as Medicare solvent, as well as supporting the local, state, and national tax base in the United States.

- As baby boomers age, the financial stability of the Medicare Hospital Insurance Trust Fund is projected to become insolvent by 2026. If undocumented immigrants eligible for legalization under the proposed 2013 Senate Bill S. 744 were naturalized, they would contribute \$202 billion more into the Medicare system than they would receive in benefits over the next 20 years. They would contribute \$9 billion if they were provided only legal status without a path to citizenship.<sup>5</sup>
- Had undocumented immigrants been granted legal status and citizenship in 2013, they would have contributed \$184 billion in tax revenue over the next 10 years—\$116 billion federally and \$68 billion to state and local governments. If they were to be granted citizenship in 2018, naturalized immigrants would contribute \$144 billion in taxes, with \$91 billion going to the federal government and \$53 billion to state and local governments.<sup>6</sup>





### **3 Through naturalization, immigrants are more likely to integrate into their local communities through educational advances, home ownership, and an increased standard of living.**

- In 2012, 58 percent of naturalized citizens ages 25 and older had at least some post-secondary education. This is on par with the 61 percent of U.S.-born citizens in the same age group, and almost twice as much as non-citizens (37 percent). Naturalized citizens are also more likely to complete high school than non-citizens (79 percent vs. 59 percent).<sup>7</sup>
- Naturalized citizens are almost twice as likely as non-citizens to be homeowners (65 percent vs. 34 percent), which is similar to the 66 percent of native-born Americans who own homes.<sup>8</sup>
- Attaining citizenship improves one's standard of living. Both naturalized immigrants and native-born citizens make at least \$10,000 more in income on average than non-citizen immigrants and are at least half as likely to live below the poverty line.<sup>9</sup>



### **4 Naturalized citizens help create jobs for U.S.-born citizens.**

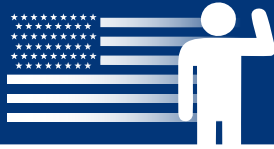
- In California, naturalized citizens are more likely than non-citizens to be banked—89.8 percent of naturalized citizens were banked as opposed to 61 percent of non-citizens who are eligible for naturalization. Being banked allows for access to credit and financial services that help naturalized citizens start small businesses and create jobs for U.S.-born workers.<sup>10</sup>
- If undocumented immigrants had been granted legal status in 2013, and citizenship five years later, 159,000 jobs would have been created per year over the next 10 years. If they had been granted legal status and citizenship in 2013, 203,000 jobs would have been created per year in the same time period.<sup>11</sup>
- In 2011, immigrants—including naturalized citizens—created jobs by employing one in 10 U.S. workers and starting 28 percent of new businesses in the country.<sup>12</sup>



### **5 An earned pathway to citizenship is crucial to any comprehensive immigration reform legislation, and enjoys broad support among a majority of Americans across party lines.**

- If reform was enacted that allowed for naturalization of the country's 11 million undocumented immigrants after five years, GDP would increase by \$1.1 trillion and total income for all Americans would grow by \$618 billion over 10 years.<sup>13</sup>
- Had immigrants become eligible for citizenship through comprehensive immigration reform in 2013, the gains to the U.S. economy—measured in GDP, incomes for all Americans, jobs created and tax contributions—would be nearly 70 percent greater by 2022 than if only legalization was offered.<sup>14</sup>
- According to a June 2014 poll by the Public Religion Research Institute and The Brookings Institution, 62 percent of Americans support a pathway to citizenship requirements like background checks and payment of fines and back taxes as part of comprehensive reform. This includes 70 percent of Democrats, 61 percent of independents, and 51 percent of Republicans.<sup>15</sup>

This fact sheet is a product of the AS/COA Immigration and Integration Initiative, which promotes positive dialogue around the economic contributions of immigrants across the United States. It was produced by policy associates **Leani García** and **Rebecca Bintrim**, in collaboration with Adam Wolsky and policy managers **Richard André** and **Kate Brick**. For media inquiries or to speak with an expert on this topic, please contact Adriana La Rotta in our communications office at: [alarotta@as-coa.org](mailto:alarotta@as-coa.org).



## Endnotes

- 1 The most recent figures provided by the Department of Homeland Security are from 2012. <http://www.dhs.gov/yearbook-immigration-statistics-2012-naturalizations>
- 2 Robert Lynch and Patrick Oakford, "The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants," Center for American Progress, 2013, p.9. <http://www.americanprogress.org/issues/immigration/report/2013/03/20/57351/the-economic-effects-of-granting-legal-status-and-citizenship-to-undocumented-immigrants/>
- 3 Manuel Pastor and Justin Scoggins, "Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy," Center for the Study of Immigrant Integration, University of Southern California, 2012, p.19. <http://dornsife.usc.edu/csii/citizen-gain/>
- 4 Ibid, p.20.
- 5 Patrick Oakford and Robert Lynch, "How Will Immigration Reform Impact the Medicare Trust Fund?" Center for American Progress, February 27, 2014, pp.1-4. <http://www.americanprogress.org/issues/immigration/report/2014/02/27/82121/how-will-immigration-reform-impact-the-medicare-trust-fund/>
- 6 Pastor and Scoggins, "Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy," Center for the Study of Immigrant Integration, University of Southern California, p.2.
- 7 Gregory Auclair and Jeanne Batalova, "Naturalization Trends in the United States," Migration Policy Institute, 2013. <http://www.migrationpolicy.org/article/naturalization-trends-united-states>
- 8 Ibid.
- 9 Pastor and Scoggins, "Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy," p.7.
- 10 "Latino Financial Access and Inclusion in California," National Council of La Raza, 2013, p.15. [http://www.nclr.org/index.php/publications/latino\\_financial\\_access\\_and\\_inclusion\\_in\\_california/](http://www.nclr.org/index.php/publications/latino_financial_access_and_inclusion_in_california/)
- 11 Lynch and Oakford, "The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants," Center for American Progress, p.2. <http://www.americanprogress.org/issues/immigration/report/2013/03/20/57351/the-economic-effects-of-granting-legal-status-and-citizenship-to-undocumented-immigrants/>
- 12 Robert H. Fairlie, "Open for Business: How Immigrants are Driving Small Business Creation in the United States," Partnership for a New American Economy, 2012, pp.7, 27. <http://www.renewoureconomy.org/research/open-for-business-how-immigrants-are-driving-small-business-creation-in-the-united-states-2/>
- 13 Lynch and Oakford, "The Economic Effects of Granting Legal Status and Citizenship to Undocumented immigrants," Center for American Progress, p.2.
- 14 Ibid, p.8.
- 15 Robert P. Jones et al, "What Americans Want From Immigration Reform in 2014: Findings from the PRRI/Brookings Religion, Values, and Immigration Reform Survey, Panel Call Back," Public Religion Research Institute and The Brookings Institution, 2014, pp.18-19. <http://www.brookings.edu/research/reports/2014/06/10-americans-immigration-reform-2014-survey-panel-call-back>

# Lifting Barriers to Citizenship

**Making the citizenship process affordable is critical to unlocking the potential of low-income immigrants who want to become U.S. citizens.**

Taking the Oath of Allegiance at a naturalization ceremony is an emotional moment for many immigrants, and for good reason: it is the culmination of an often arduous process and many years of striving. Citizenship also opens a new chapter marked by possibility, from better job prospects to full participation in civic life.

Yet for many immigrants who aspire to become U.S. citizens, that moment never arrives. Since the 1970s, naturalization rates in the United States have lagged behind those of other major host countries. It's a striking disparity given that the vast majority of immigrants in the United States express interest in citizenship. And since gaining citizenship often boosts immigrants' social mobility and integration, the fact that so many are left behind points to a troubling loss of solidarity for their host communities.

What holds them back? Why are some immigrants more likely than others to complete the naturalization process?

New research from Stanford University's Immigration Policy Lab, in collaboration with researchers at George Mason University and the Rockefeller College of Public Affairs & Policy at the University at Albany, provides the first concrete evidence of a major barrier to citizenship for low-income immigrants. The findings help explain why citizenship-promotion efforts face significant challenges, and they provide a blueprint for solutions to ensure that all immigrants have equal access to citizenship and its benefits.

## A Life-Changing Program

In seeking to understand disparities in naturalization patterns, previous studies have focused on the immigrants themselves—individual characteristics like language skills, resources, or country of origin. Here, the researchers considered an external factor out of immigrants' control: the high costs of the citizenship application process.

For many low-income immigrants, the price tag is daunting: \$725 just to file the application, plus hundreds or even thousands more if you need English classes or consultations with immigration lawyers. Charitable organizations have stepped up to provide free language training, legal advice, and help navigating the paperwork. But the application fee has only become more burdensome, rising by 800 percent in real terms since 1985, when it was \$35 (or \$80.25 in today's dollars). The federal government offers a fee waiver for the poorest immigrants—those with incomes below 150% of the poverty line—but for many others who aren't destitute but struggle to make ends meet, that fee alone can put citizenship out of reach.

To address this potentially pivotal financial obstacle, IPL teamed up with the New York State Office for New Americans (ONA) and two funders dedicated to improving the lives of vulnerable New Yorkers, Robin Hood, and New York Community Trust. Together they developed an innovative, public-private program called NaturalizeNY, which offers low-income immigrants an opportunity to win

a voucher covering the naturalization application fee.

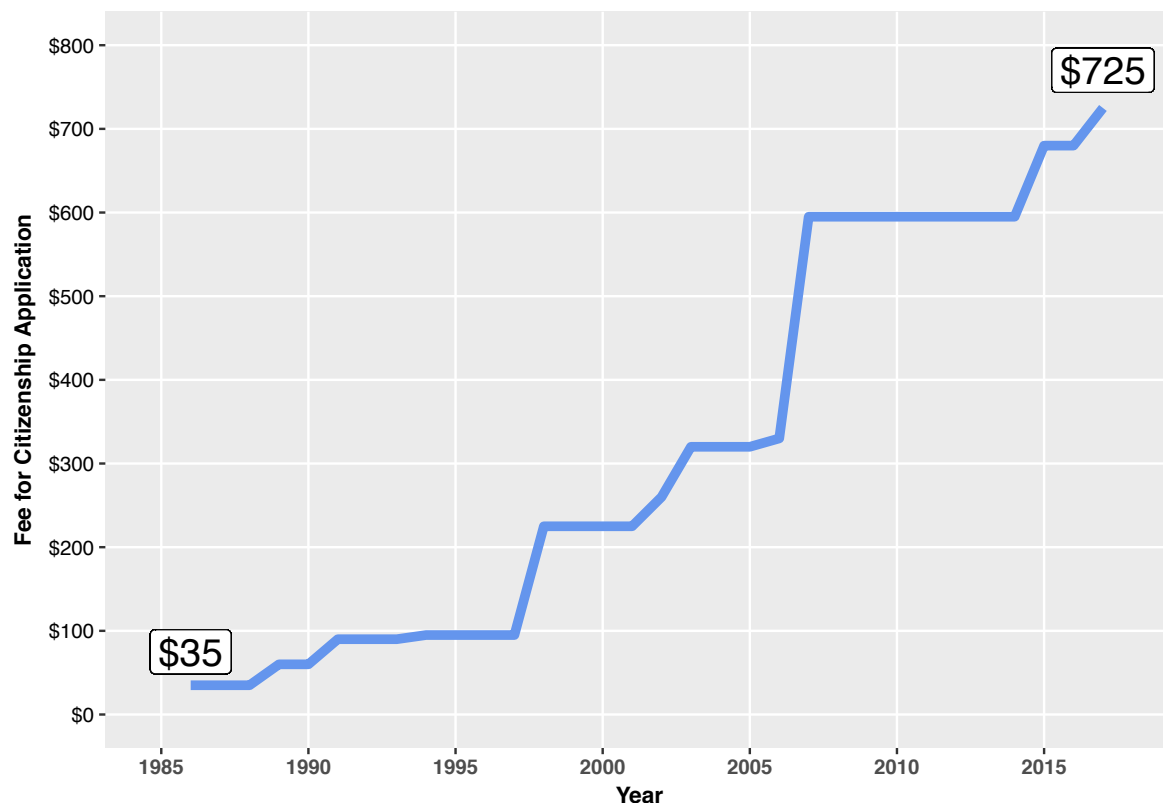
Veyom Bahl, a managing director at Robin Hood, said, “Robin Hood is proud to partner with the world-class researchers at the Stanford Immigration Policy Lab. Like us, they are committed to helping immigrant families build a strong footing for a new life in the United States. This research will help foundations, community-based organizations, and policymakers alike re-think how we invest in our communities for maximum impact.”

NaturalizeNY also connects registrants with application assistance from ONA’s network of nonprofit service providers. New York’s leading immigrant service organizations, including CUNY Citizenship Now!, Hispanic Federation, and Catholic Charities, were also integral in promoting and implementing the program.

“This was a truly first-of-a-kind program, where a state agency, philanthropies, academics, and nonprofits created a way to provide direct financial support to help low-income immigrants apply for citizenship. The Immigration Policy Lab was excited to partner in its design and evaluation so everyone involved could understand its impact on immigrants and the New York community,” said Michael Hotard, an IPL program manager.

New York is home to the nation’s second-largest immigrant population, and its metro area has about 160,000 low-income immigrants eligible for citizenship. With a registration website in seven languages, NaturalizeNY focused on relatively poor New Yorkers who, by virtue of income or lack of eligibility for government benefits like food

### Rise in Citizenship Application Fee



stamps or cash assistance, did not qualify for the existing federal fee waiver program.

NaturalizeNY used a lottery to award the 336 available vouchers, leaving 527 registrants without one. By following the two groups to see how many completed the citizenship application, researchers could measure the power of financial assistance, and in turn determine how much the costs may discourage others from naturalizing.

The results were unequivocal: the vouchers roughly doubled the application rate, from 37 percent among those without a voucher to 78 percent among recipients. The vouchers proved particularly effective for those who registered in Spanish; their application rate rose by 51 percent compared to a 36 percent rise among English speakers.

“Because NaturalizeNY uses a lottery system to equitably distribute vouchers to eligible registrants, for the first time we have clear causal evidence as to the effect of application fee vouchers on citizenship decisions. The magnitude of the effect suggests that it’s a critical lever to improve low-income

immigrants’ access to citizenship”, said Jens Hainmueller, a professor of political science at Stanford and IPL co-director.

## The Deeper Challenges of Poverty

For the poorest immigrants, however, even eliminating the application cost isn’t necessarily enough to pave the way toward citizenship. They may not know that they’re eligible for a fee waiver, or they may find the process too difficult if they’re working several jobs, caring for children or elderly relatives, or unable to get assistance with the application.

Do these kinds of disadvantages keep these immigrants from becoming citizens? To find out, researchers identified 1,760 immigrants who registered for NaturalizeNY but weren’t entered into the lottery because they likely qualified for the federal fee waiver. While the voucher group’s average annual household income was \$19,000 per person, this group’s average was just \$7,500. Everyone in this group received a message during registration informing them that, based on their responses, they likely could apply for citizenship without cost and that assistance was available. 1,124 then received various “nudges” encouraging them to apply and to visit a local service provider for help navigating the process.

These nudges mimicked the real-world interventions many groups rely on to reach immigrants in need: emails, phone calls, text messages, an official letter by regular mail, and a \$10 MetroCard intended to allay the cost of commuting to a service provider. Yet none of these encouragements made a significant difference in application rates beyond the 44 percent for those who received no additional encouragements.

In follow-up surveys, many participants said they had been too busy to apply. But when

### The Benefits of Citizenship

- Voting and holding public office
- Access to federal and local government jobs
- Eligibility for scholarships
- Ability to sponsor family members for visas
- Travel freely with a U.S. passport
- Protection from deportation
- Sense of security and belonging

researchers returned to the data, they found that nudges couldn't be the whole answer: the nudges were just as ineffective for single people as for members of large households, and for those of working age and retirement age.

“That so many ended up not applying indicates that challenges to naturalization run deeper than financial constraints,” said Duncan Lawrence, IPL executive director. “It’s clear that we have more to learn about what sorts of cost-effective nudges may or may not work. Raising awareness of the fee waiver itself may be an important piece of the puzzle, and we are actively working to understand how learning about the fee waiver affects application rates.”

## Citizenship and Social Mobility

For policymakers looking to address social inequality and give low-income immigrants a potential pathway to the middle class, the voucher results speak volumes. The current naturalization system imposes prohibitive costs on exactly those immigrants who might stand to benefit the most from the opportunities citizenship brings.

NaturalizeNY could inspire other cities and states to create similar public-private partnerships. ONA director Laura Gonzalez-Murphy emphasized the project’s actionable insights, saying, “The New York State Office for New Americans Opportunity Centers are leaders on the ground, establishing strong relationships and trust with immigrants and refugees from across the world. We are always eager to eliminate barriers for these individuals and help them on their path to citizenship. Thanks to our partners, including Stanford, George Mason, and SUNY Albany, we now have a unique project to paint a real picture of the current immigration system and see where opportunities for positive change may arise.”

At the federal level, U.S. Citizenship and Immigration Services (USCIS) recently lowered the fee for applicants between 150 and 200 percent of the poverty level. As this research illustrates, however, the financial barrier remains decisive for low-income immigrants above that range. Expanding this tiered system, with wealthier applicants paying more, would allow USCIS to cover its administrative costs while keeping citizenship affordable for all.

These are relatively simple projects to fund and administer, and they have a potentially big long-term payoff: if becoming an American citizen makes immigrants more likely to pursue higher education, start a business, or enter a profession, then boosting naturalization rates would make for better integrated, more prosperous communities.

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For full details see “[A Randomized Controlled Design Reveals Barriers to Citizenship for Low-Income Immigrants](#)”, Jens Hainmueller, Duncan Lawrence, Justin Gest, Michael Hotard, Rey Koslowski, and David Laitin, *Proceedings of the National Academies of Sciences* (January 2018).



Stanford | Zurich • [immigrationlab.org](http://immigrationlab.org)

We evaluate and design policies surrounding the integration of immigrants and refugees worldwide. By translating new evidence into creative solutions, our work can improve immigrants’ lives and strengthen their host communities.



MAY 10, 2018 | NUMBER 6

## Immigration and the Welfare State

### Immigrant and Native Use Rates and Benefit Levels for Means-Tested Welfare and Entitlement Programs

BY ALEX NOWRASTEH AND ROBERT ORR

The federal government spent about \$2.3 trillion in 2016 on the welfare state, an amount equal to approximately 60 percent of all federal outlays in that year.<sup>1</sup> A full \$1.5 trillion of those expenditures went to the entitlement programs of Social Security and Medicare, whose intended beneficiaries are the elderly, while the other \$800 billion went to means-tested welfare benefits, whose intended beneficiaries are the poor.<sup>2</sup> Overall, immigrants are less likely to consume welfare benefits and, when they do, they generally consume a lower dollar value of benefits than native-born Americans. Immigrants who meet the eligibility thresholds of age for the entitlement programs or poverty for the means-tested welfare programs generally have lower use rates and consume a lower dollar value relative to native-born Americans.<sup>3</sup> The per capita cost of providing welfare to immigrants is substantially less than the per capita cost of providing welfare to native-born Americans.

#### BACKGROUND

Means-tested welfare programs are intended to aid the poor. For the purposes of this brief, they include Medicaid, the Children's Health Insurance Program (CHIP), the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (cash assistance), and Supplemental Security Income (SSI). Eligibility for these programs and the value of the benefits are based on the immigration

status of the recipient, the recipient's income, the value of assets owned by the recipient, his or her employment status, specific state policies, and myriad other factors.

Temporary migrants are generally ineligible for welfare benefits.<sup>4</sup> Lawful permanent residents must wait at least five years before they are eligible for means-tested welfare benefits, but states have the option of providing those benefits earlier from their own tax revenues.<sup>5</sup> Illegal immigrants are ineligible for entitlement and means-tested welfare programs apart from emergency medical care.<sup>6</sup> Naturalized citizens, U.S.-born children, refugees, and asylees are eligible for all entitlement and means-tested welfare programs.<sup>7</sup> These rules have some exceptions: children of lawful permanent residents are eligible for SNAP benefits, and states can extend Medicaid benefits to children and pregnant women regardless of immigration status. Furthermore, in-kind benefits—such as the National School Lunch Program; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and Head Start—are available regardless of immigration status.

Entitlement programs are intended to aid the elderly, and they include Social Security retirement benefits and Medicare. The primary eligibility requirement for entitlements is the age of the recipient, but the value of taxes paid into those programs and the number of work years are factors in determining eligibility and the value of benefits.<sup>8</sup> As such, lawful permanent residents who have paid payroll taxes for 40 quarters, or 10 years, are eligible to receive Social Security retirement benefits and Medicare.<sup>9</sup>

## METHODOLOGY AND DATA

This brief exploits data from the Census Bureau's 2017 Annual Social and Economic Supplement to the Current Population Survey (CPS), an annual survey of the civilian noninstitutionalized population of the United States that examines data from 2016, to analyze the use rates and dollar values of means-tested welfare and entitlement programs in that year. Accounting for some nuances of welfare program eligibility and quirks in the CPS data is necessary to understand our results.

Program eligibility and the value of benefits are based on either the household level or individual level, a concept known as the unit of assistance. Individuals are the unit of assistance for Medicaid, CHIP, SSI, Social Security retirement benefits, and Medicare. Thus, many U.S.-born children in immigrant families receive Medicaid or CHIP even though their noncitizen parents do not. The household is the unit of assistance for SNAP and cash assistance, but the value of benefits is reduced in households where some family members are ineligible noncitizens. For example, if a poor three-person family is composed of two temporary migrants and a U.S.-born child, only the child counts in computing the value of SNAP and cash assistance benefits. For benefits delivered at the household level, the CPS data do not allow us to discern the immigration status of the intended recipients for children who live in households containing both citizens and noncitizens. As such, we assume that these benefits are split evenly among all members of each household in order to determine the value of benefits per individual.

We selected the welfare programs analyzed in this brief based on the availability of survey data that estimate the cash value of the benefit per individual recipient. These welfare programs constitute the majority of federal transfer spending. Together, the seven programs analyzed account for over 85 percent of nonveteran federal spending on means-tested welfare and entitlement programs.<sup>10</sup> However, we had to rely on data sources other than the 2017 CPS in two cases. First, the value of SNAP benefits is not included in the CPS's initial release, so we used the 2016 CPS instead of the 2017 version. Second, the CPS does not include estimates of the value of Medicare and Medicaid benefits. In place of the 2017 CPS, we used the Medical Expenditure Panel Survey (MEPS) for 2015, the most recent year for which data are available.

We define natives or native-born Americans as those who are born in the United States, in its territories, or to citizen parents living abroad. Naturalized Americans are those born abroad who have since become naturalized U.S. citizens. Noncitizen immigrants are foreign-born people who are not citizens of the

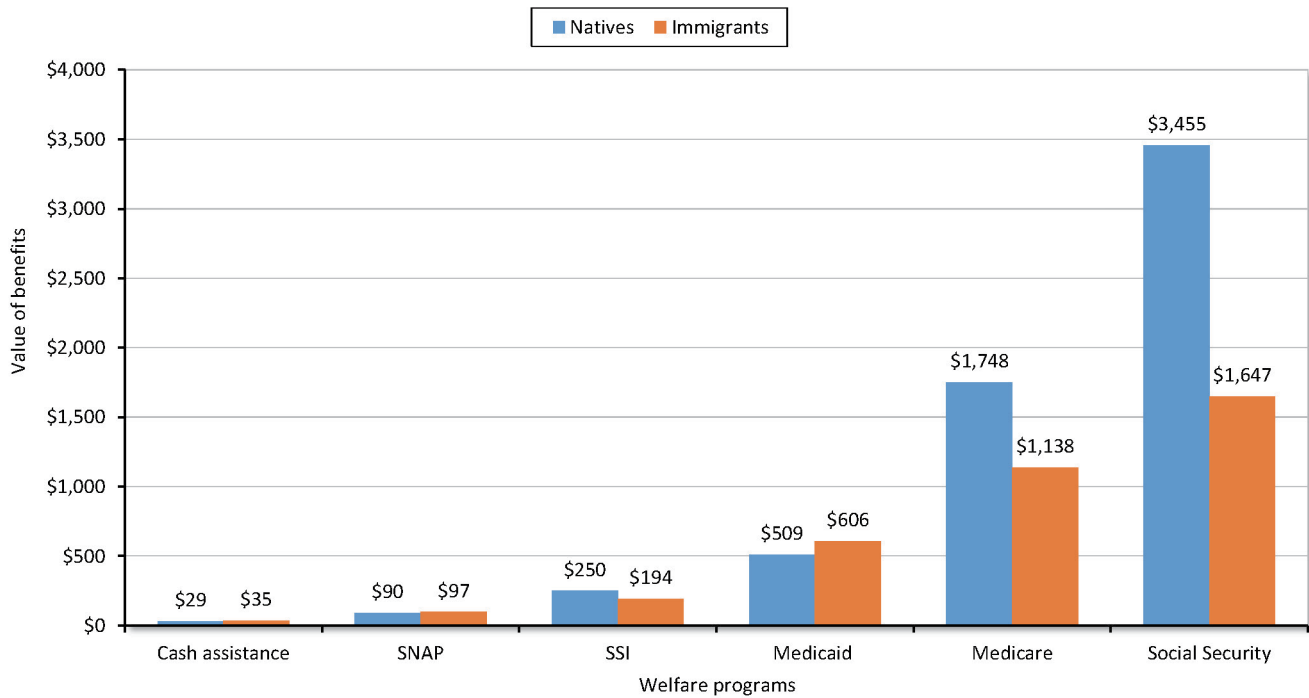
United States and who include green card holders, refugees, asylees, temporary migrants, guest workers, and illegal immigrants. Citizen children of citizen parents includes the children of both native-born Americans and naturalized immigrants. Citizen children of noncitizen parents are those who are born in the United States to foreign-born parents who have not naturalized. Noncitizen children have not naturalized.

The CPS is the most commonly used source of data for analyzing immigrant and native welfare use, and MEPS is the only survey that provides the estimated dollar value of medical programs. Like other self-reported surveys, CPS and MEPS are vulnerable to sampling error. In particular, respondents to these surveys underreport public benefit use. Estimates of the extent of underreporting across programs range between 10 percent in the case of Social Security retirement benefits and 40 percent for SNAP.<sup>11</sup> A common method to adjust for underreporting is the Urban Institute's TRIM3 model that, among other things, reconciles program use rates and the dollar value of benefits received to federal and state administrative data on expenditures.<sup>12</sup> We ultimately decided against using the TRIM3 model for this brief because it is available only up through 2014, which would exclude the most recent CPS welfare data. An alternative survey data source, the Survey of Income and Program Participation (SIPP), is less subject to the underreporting of welfare use and benefit levels.<sup>13</sup> However, we decided against SIPP because it has a less timely release schedule, the most recent release was for 2013 data, and the results from SIPP are close to those produced by the CPS. The relative difference between immigrant and native welfare use rates and the dollar value of benefits received is so similar in both the CPS and SIPP that our results would not change if we used the latter survey.<sup>14</sup>

## RESULTS

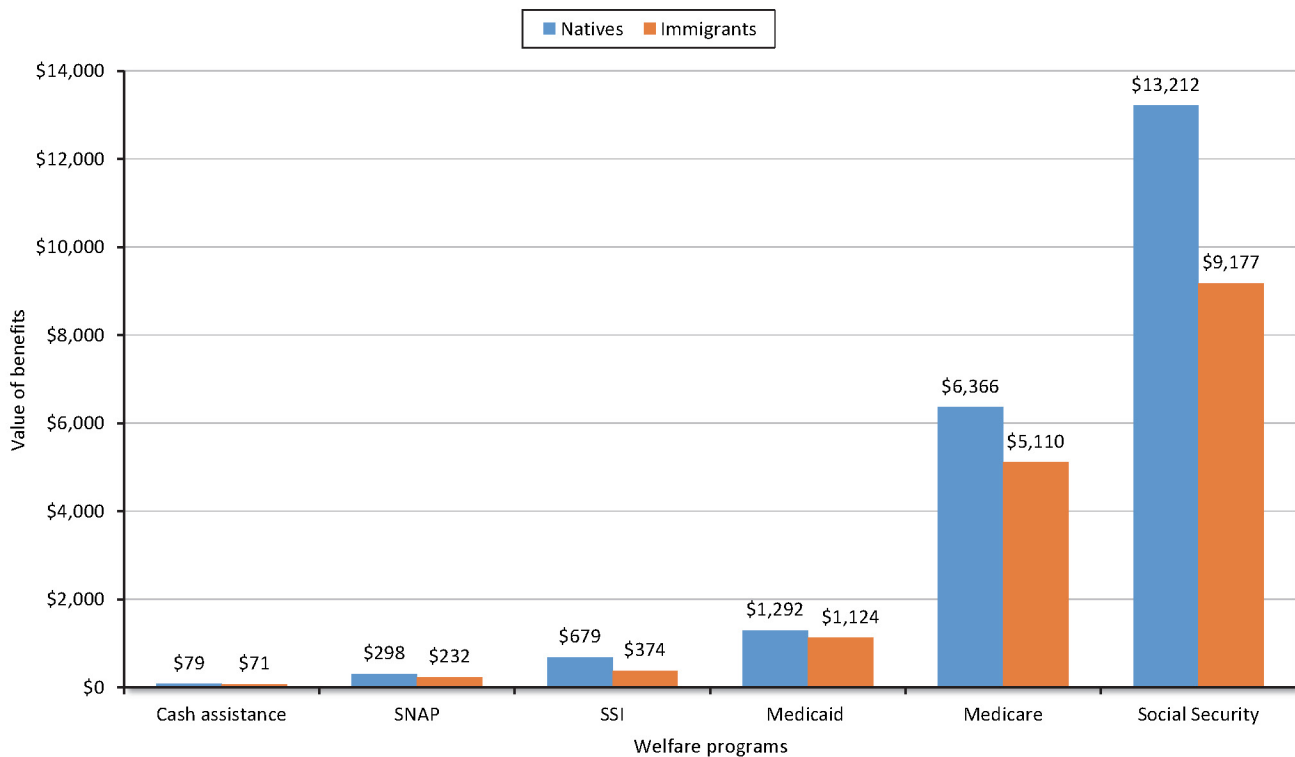
Figures 1 and 2 display the average welfare costs per person per program by nativity. We calculated these figures by multiplying the immigrant and native use rates by the value of benefits they consumed. Figure 1 compares all immigrants with all natives. The average value of welfare benefits per immigrant was about \$3,718 in 2016, about 39 percent *less* than the \$6,081 average value of welfare benefits per native. The average immigrant consumed \$6 more in cash assistance, \$7 more in SNAP benefits, and \$98 more in Medicaid than the average native did. However, the average immigrant consumed \$56 less in SSI, \$610 less in Medicare, and \$1,808 less in Social Security retirement benefits than the average native in 2016—more than compensating for their overconsumption of cash assistance, SNAP, and Medicaid.

**Figure 1**  
Average per capita welfare cost by program and nativity, 2016



Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.

**Figure 2**  
Average per capita welfare cost by program and nativity for age- and income-eligible recipients, 2016



Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.

Figure 2 shows the average welfare cost of natives and immigrants who meet the income or age requirements for these programs: recipients must have an income that is at least 200 percent of the poverty line or below for means-tested welfare benefits or age 65 years or older for the Social Security and Medicare entitlement programs. The poverty line threshold differs by state, but it is a general nationwide metric that approximates an apples-to-apples comparison of people who are the intended beneficiaries of means-tested welfare programs. On average, each immigrant who is broadly eligible for the welfare or entitlement programs costs \$16,088 in 2016, about 27 percent less than the average native who costs \$21,926. The average poor or elderly immigrant costs less than the average poor or elderly native for every means-tested and entitlement program.

## Welfare Use Rates

Table 1 presents a more detailed breakdown of welfare use rates for natives, immigrants, naturalized citizens, and noncitizens for adults age 19 and older.<sup>15</sup> Table 2 presents welfare use rates for children divided into five groups: (a) natives, (b) immigrants, (c) citizen children of citizen parents, (d) citizen children of noncitizen parents, and (e) noncitizen children.

Adult immigrant use rates are below those of native adults for SSI, Medicare, and Social Security (Table 1). However, immigrant adults are more likely to use SNAP and Medicaid than native-born adults and equally as likely to use cash assistance. Naturalized immigrants are more than three times more likely than noncitizen immigrants to use Medicare and Social Security but less likely to use cash assistance, SNAP,

**Table 1**

**Welfare use rates by nativity and immigration status for adults age 19 and older at all poverty levels, 2016**

	Natives	Immigrants	Naturalized citizens	Noncitizens
Cash assistance (%)	0.7	0.7	0.6	0.8
SNAP (%)	9.6	12.1	9.4	14.6
SSI (%)	2.7	2.2	3.1	1.2
Medicaid (%)	12.3	17.5	16.1	18.9
Medicare (%)	23.3	15.2	23.6	7.3
Social Security (%)	22.8	12.0	19.6	5.5

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.

**Table 2**

**Welfare use rates by nativity and immigration status for children age 18 and younger at all poverty levels, 2016**

	Natives	Immigrants	Citizen children of citizen parents	Citizen children of noncitizen parents	Noncitizen children
Cash assistance (%)	3.5	2.4	3.5	3.6	2.9
SNAP (%)	20.4	19.5	17.7	25.4	19.5
SSI (%)	3.5	2.3	3.8	1.8	2.0
Medicaid (%)	38.2	38.1	35.3	56.1	37.9

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.

and Medicaid. Naturalized immigrants are more likely to use entitlements than noncitizens. Relative to natives, naturalized immigrants are less likely to consume Social Security and slightly more likely to consume Medicare.

Child immigrants have lower use rates than native-born children for cash assistance, SNAP, SSI, and Medicaid (Table 2). Citizen children of noncitizen parents have the highest use rates for cash assistance, SNAP, and Medicaid. The Social Security and Medicare entitlement programs are not included in Table 2 because children are not eligible for those programs.

Tables 3 and 4 show welfare use rates for recipients who are at or below 200 percent of the poverty line for means-tested welfare programs and those who are age 65 and older for the Social Security and Medicare entitlement programs. Poor

immigrants are less likely than natives to use every welfare program with the exception of Medicaid, where they are 0.4 percent more likely to use it (Table 3). Naturalized immigrants use less welfare than natives for every program except SSI and Medicaid. Noncitizens use every welfare program less than natives do, often by wide margins.

Immigrant children are also less likely to use all means-tested welfare programs than native-born children (Table 4). Noncitizen children are the least likely to use Medicaid even though the 2009 Children's Health Insurance Program Reauthorization Act gave states the power to extend Medicaid and CHIP coverage to all noncitizen children and pregnant women regardless of immigration status.<sup>16</sup> As of 2014, 29 states expanded CHIP to some lawfully present immigrants who have been here for fewer than five years.<sup>17</sup>

**Table 3**

**Welfare use rates by nativity and immigration status for adults age 19 and older, poverty and age adjusted, 2016**

	Natives	Immigrants	Naturalized citizens	Noncitizens
Cash assistance (%)	2.1	1.6	1.8	1.5
SNAP (%)	29.6	27.1	26.5	27.5
SSI (%)	7.5	4.2	8.1	1.9
Medicaid (%)	29.7	30.1	34.6	27.5
Medicare (%)	93.9	87.2	90.9	77.1
Social Security (%)	83.9	65.0	70.4	50.4

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.  
Note: Recipients are at 200% of poverty line and below for means-tested welfare programs and age 65 and older for entitlement programs.

**Table 4**

**Welfare use rates by nativity and immigration status for children age 18 and younger, poverty adjusted, 2016**

	Natives	Immigrants	Citizen children of citizen parents	Citizen children of noncitizen parents	Noncitizen children
Cash assistance (%)	7.5	3.5	7.9	5.5	3.9
SNAP (%)	43.1	32.4	45.6	40.3	34.3
SSI (%)	7.7	2.5	6.7	3.2	2.8
Medicaid (%)	67.9	52.3	66.3	74.0	49.8

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.  
Note: Recipients are at 200% of poverty line and below for means-tested welfare programs and age 65 and above for entitlement programs.

## The Value of Welfare Benefits

The value of welfare benefits that each recipient group consumes by program shows that immigrant adults, including those who are naturalized and who are noncitizens, consume a lower dollar value in every program except for cash assistance (Table 5). The values are unavailable in the CPS for naturalized immigrants and noncitizens for Medicaid and Medicare. MEPS does provide the dollar amount of benefits but not detailed immigration information beyond native or immigrant. The CPS does not provide that information, and MEPS does not provide more detailed immigration status than nativity. Immigrant children, citizen children of noncitizen parents, and noncitizen children consume a lower value of welfare benefits than natives do (Table 6). The only exception is that all immigrants consumed slightly more in SSI benefits than the citizen children of citizen parents did.

Tables 7 and 8 show the value of welfare benefits consumed by recipients who are at or below 200 percent of the poverty line for means-tested welfare programs and those who are age 65 and older for the entitlement programs. Poor immigrants, the naturalized, and noncitizens consume a lower value in welfare programs than natives do with the exception of cash assistance (Table 7). Immigrant children and noncitizen children consume fewer welfare benefits than natives, and the citizen children of citizen parents consume the most (Table 8).

## COMPARING STUDIES

Previous analyses by the Center for Immigration (CIS) come to contrary conclusions regarding the relative use of public benefits by immigrants and natives.<sup>18</sup> The main reason for our differing findings is that CIS analyzes welfare use by entire

**Table 5**

**Value of welfare benefits by nativity and immigration status for adults age 19 and older in all poverty levels, 2016**

	Natives	Immigrants	Naturalized citizens	Noncitizens
Cash assistance (\$)	4,140	4,908	4,312	5,258
SNAP (\$)	937	805	911	745
SSI (\$)	9,359	9,022	8,993	9,075
Medicaid (\$)	4,154	3,466	n/a	n/a
Medicare (\$)	7,503	7,486	n/a	n/a
Social Security (\$)	15,154	13,727	14,075	12,576

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.  
Note: n/a = not available.

**Table 6**

**Value of welfare benefits by nativity and immigration status for children age 18 and younger at all poverty levels, 2016**

	Natives	Immigrants	Citizen children of citizen parents	Citizen children of noncitizen parents	Noncitizen children
Cash assistance (\$)	1,096	975	1,110	1,015	961
SNAP (\$)	916	721	950	750	690
SSI (\$)	9,060	8,937	8,916	8,972	2,183
Medicaid (\$)	1,242	597	n/a	n/a	n/a

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data.  
Note: n/a = not available.



**Table 7**

**Value of welfare benefits by nativity and immigration status for adults age 19 and older, poverty and age adjusted, 2016**

	Natives	Immigrants	Naturalized citizens	Noncitizens
Cash assistance (\$)	3,773	4,398	3,887	4,644
SNAP (\$)	1,009	856	967	799
SSI (\$)	9,060	8,937	8,916	8,972
Medicaid (\$)	4,351	3,739	n/a	n/a
Medicare (\$)	6,780	5,860	n/a	n/a
Social Security (\$)	13,212	9,177	10,124	6,593

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data. Note: Recipients are at 200% of poverty line and below for means-tested welfare programs and aged 65 and above for entitlement programs. n/a = not available.

**Table 8**

**Value of welfare benefits by nativity and immigration status for children age 18 and younger, poverty adjusted, 2016**

	Natives	Immigrants	Citizen children of citizen parents	Citizen children of noncitizen parents	Noncitizen children
Cash assistance (\$)	1,046	1,012	1,067	932	987
SNAP (\$)	944	745	983	767	717
SSI (\$)	2,183	2,103	2,183	1,767	1,898
Medicaid (\$)	1,246	570	n/a	n/a	n/a

Source: Authors' analysis of the 2017 Annual Social and Economic Supplement to the Current Population Survey and the 2015 Medical Expenditure Panel Survey data. Note: Recipients are at 200% of poverty line and below for means-tested welfare programs and aged 65 and above for entitlement programs. n/a = not available.

households based on whether the head is an immigrant, whereas we examine individuals by immigration status. Focusing on persons is more accurate because households headed by immigrants often contain multiple native-born Americans, including spouses and children. Furthermore, the unit of assistance for the largest welfare programs of Medicaid, CHIP, SSI, Social Security retirement benefits, and Medicare is the individual, not the household. CIS's focus on the household unit of assistance for all welfare programs—regardless of the actual unit of assistance used in apportioning benefits—inflates immigrant welfare use. Focusing on individuals, rather than on households, allows this brief to identify which particular subgroups, such as naturalized immigrants or noncitizens, are receiving public benefits, whereas CIS's methods preclude that type of granular analysis.

## CONCLUSION

Immigrant consumption of welfare benefits through means-tested or entitlement programs is a complex issue as myriad programs have different eligibility requirements that vary by state. All immigrants consume 39 percent fewer welfare benefits relative to all natives, largely because they are less likely to receive Social Security retirement benefits and Medicare. Immigrants consume 27 percent fewer benefits relative to natives with similar incomes and ages. Although this brief does not count some smaller, noncash antipoverty programs, they are unlikely to alter our results even if the data were available for their inclusion. This brief provides the most recent estimates of immigrant and native welfare use.

## NOTES

This immigration research and policy brief is an updated and revised version of Leighton Ku and Brian Bruen, “Poor Immigrants Use Public Benefits at a Lower Rate than Poor Native-Born Citizens,” Cato Institute Economic Development Bulletin no. 17, March 4, 2013.

1. Karen Spar and Gene Falk, “Federal Benefits and Services for People with Low Income: Overview of Spending Trends, FY2008–FY2015,” Congressional Research Service no. R44574, July 29, 2016, pp. 4–5; “The Budget and Economic Outlook: 2017 to 2027,” Congressional Budget Office, January 2017.

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3. Randy Capps, Michael E. Fix, and Everett Henderson, “Trends in Immigrants’ Use of Public Assistance after Welfare Reform,” in *Immigrants and Welfare: The Impact of Welfare Reform on America’s Newcomers*, ed. Michael E. Fix (New York: Russell Sage Foundation, 2009), pp. 123–52; Leighton Ku, “Changes in Immigrants’ Use of Medicaid and Food Stamps: The Role of Eligibility and Other Factors,” in Fix, *Immigrants and Welfare*, 152–92.

4. Alison Siskin, “Noncitizen Eligibility for Federal Public Assistance: Policy Overview,” Congressional Research Service no. RL33809, December 12, 2016.

5. “Overview of Immigrants’ Eligibility for SNAP, TANF, Medicaid, and CHIP,” Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, March 27, 2012, <https://aspe.hhs.gov/basic-report/overview-immigrants-eligibility-snap-tanf-medicaid-and-chip>.

6. The government makes payments to health care providers for emergency services that are rendered to illegal immigrants who are eligible for Medicaid. This procedure helps ensure that reimbursement is available to the emergency care providers. Emergency rooms are required to treat illegal immigrants like other patients regardless of insurance status under the Emergency Medical Treatment and Active Labor Act.

7. “Overview of Immigrants’ Eligibility.”

8. “Who is Eligible for Medicare?” Social Security Administration, [www.hhs.gov/answers/medicare-and-medicaid/who-is-eligible-for-medicare/index.html](http://www.hhs.gov/answers/medicare-and-medicaid/who-is-eligible-for-medicare/index.html).

9. Siskin, “Noncitizen Eligibility for Federal Public Assistance.”

10. Authors’ calculations based on Michael Tanner, “The American Welfare State: How We Spend Nearly \$1 Trillion a Year Fighting Poverty—and Fail,” Cato Institute Policy Analysis no. 694, April 11, 2012.

11. Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan, “The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences,” NBER Working Paper no. 15181, National Bureau of Economic Research, July 2009.

12. Sheila Zedlewski and Linda Giannarelli, “TRIM: A Tool for Social Policy Analysis,” Urban Institute Research Report, May 2015.

13. Meyer, Mok, and Sullivan, “The Under-Reporting of Transfers in Household Surveys.”

14. National Academies of Sciences, Engineering, and Medicine, *The Economic and Fiscal Consequences of Immigration* (Washington: National Academies Press, 2017), p. 362.

15. The CPS data indicate which individual adults report receiving cash assistance and SSI but do not reveal which children received those benefits; so we only know whether the children are members of households that received those benefits. Thus, some immigrant children may be in families getting cash assistance or SSI benefits even though they are not the intended beneficiaries.

16. “Overview of Immigrants’ Eligibility.”

17. Evelyne P. Baumrucker and Alison Mitchell, “State’s Children Health Insurance Program: An Overview,” no. R43627, Congressional Research Service, March 20, 2015, p. 4.

18. Steven Camarota, “Welfare Use by Immigrant and Native Households: An Analysis of Medicaid, Cash, Food, and Housing Programs,” Center for Immigration Studies Background, September 10, 2015.



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December 2012

# Citizen Gain

*The Economic Benefits of Naturalization for  
Immigrants and the Economy*

**Manuel Pastor & Justin Scoggins**



## About CSII

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The Center for the Study of Immigrant Integration's (CSII) mission is to remake the narrative for understanding, and the dialogue for shaping, immigrant integration in America. CSII brings together three emphases: scholarship that draws on academic theory and rigorous research; data that provides information structured to highlight the process of immigrant integration over time; and engagement that seeks to create new dialogues with government, community organizers, business and civic leaders, immigrants and the voting public.

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# Introduction

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Citizenship brings many benefits to immigrants, the opportunity to participate more fully in our democracy through the right to vote being primary among them. But beyond the clear civic gain is an often overlooked economic benefit: for a variety of reasons, naturalized immigrants are likely to see a boost in their family incomes that can benefit their children, their communities and the nation as a whole.

Why is the economic importance of naturalization – the process by which immigrants become citizens – so often overlooked? Part of the reason is that much of the heated debate around the economic effects of immigration in the U.S. tends to focus on the unauthorized (or “illegal”) population. The economic evidence in this arena points in multiple directions – positive gains at an aggregate level, negative effects on specific sectors of the labor market, mixed impacts on government coffers – but lost in that discussion is the fact that nearly three-fourths of all immigrants are either naturalized citizens or Lawful Permanent Residents (LPRs), those who have legal status and may be eligible to naturalize but have not yet done so (Passel and Cohn 2011, p. 10).

What would happen if those individuals who were eligible to naturalize actually chose to do so? How much would their economic situation improve – and what would be the effects on the overall economy? If such gains are possible, how could policymakers help to encourage even higher rates of naturalization?

In this policy brief, we tackle these questions by combining individual-level data from the Census Bureau’s 2010 Public Use Microdata Sample (PUMS) with the most recent data on the number of LPRs eligible to naturalize from the U.S. Office of Immigration Statistics (OIS). We first use the Census data to generate estimates of the “earnings premium” associated with naturalization: even controlling for many of the other characteristics that predict individual wages, we find that earnings can rise by around 8 to 11 percent. We then use the OIS data to simulate a reasonable scenario in which we step up the rate of naturalization in order to reduce the pool of those eligible by half: we find that aggregate earnings increase on the order of \$21 billion to \$45 billion over ten years, depending on how rapidly we can achieve the naturalization target. The impact on GDP can be even larger once we take into account the secondary effects of higher incomes on spending and demand.

This brief proceeds as follows: We begin with a review of the literature, drawing out both theory and evidence on why naturalization might be associated with a higher earnings trajectory. We then discuss the data we employ and the regression models we develop; as will be seen, we make a number of choices along the way to insure that our estimates are as conservative as possible. We then discuss how the wage trajectory might change over time – benefits would actually accrue over a number of years – and then turn our attention to the possible impacts on aggregate earnings and the overall economy. We conclude with a discussion of the policy implications, particularly how we might make those benefits clear to those who have not yet naturalized and how we could use new financial and other vehicles to induce higher levels of naturalization.

## Previous Research on the Economic Benefits of Naturalization

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### Why Might Naturalization Have Economic Benefits?

On the whole, naturalized immigrants have better economic outcomes than their non-citizen counterparts – but they also tend to have substantially higher levels of what economists refer to as “human capital” (e.g. experience, education, and English language ability) and vary by other key characteristics as well (recency of arrival, country of origin, etc.). For that reason, the focus of the research has been on whether citizenship matters *per se* for the



economic outcome of immigrants, or whether the differences in outcomes are actually explained by differences in other characteristics.<sup>1</sup>

Why might naturalization matter? The two main ways in which obtaining citizenship could lead to better economic outcomes are thoroughly examined in Bratsberg, Ragan, and Nasir (2002). They describe two broad channels: job access and the acquisition of “U.S.-specific human capital” which is incentivized by a decision to remain in the U.S. permanently.

Better access to jobs through attaining citizenship can occur for a variety of reasons, including the fact that many public-sector jobs actually require citizenship – and they tend to pay better (Shierholz 2010). Holding a U.S. passport is also an asset for jobs that require international travel. Beyond the actual job requirements, citizenship can also be a signal to employers that an immigrant has characteristics they are looking for in an employee, such as a basic command of English and possession of “good moral character” – both requirements for naturalization (USCIS 2012) – as well as a commitment to remain in the U.S. (and on the job) for the long term. Finally, some have suggested that citizenship is an assurance of legal status for employers who may be worried about facing sanctions for inadvertently hiring undocumented workers and would thus shy away from non-naturalized immigrants (Mazzolari 2009, 186).

Citizenship is also thought to be associated with the acquisition of U.S.-specific human capital. After all, with planned permanent residency in the U.S. may come a greater incentive to make long-term investments (e.g. obtaining tailored education and/or specific vocational training, starting a U.S.-based business, or social networking with those in the same regional labor market) that might not be made if the plan was to eventually go back home. Unfortunately, because U.S.-specific human capital is often not measurable in survey data – education just shows up as education rather than a set of courses in a very specific U.S.-based career – it can pose challenges for estimating the economic benefits of naturalization. On the other hand, this also means that finding a difference in income for a naturalized immigrant, once you have controlled for education level, regional labor market, and other factors, could be a signal of this sort of citizenship-induced investment in U.S.-specific human capital.

## Previous Estimates of the Economic Benefits of Naturalization

There are two broad approaches that have been employed in testing whether citizenship matters for immigrant economic outcomes. Both use regression analysis – a statistical technique that attempts to separate the impact of citizenship on income from the impacts of other individual characteristics. Where they differ is in their periodicity: the first approach involves using cross-sectional data (i.e. data for multiple individuals at one point in time) and then modeling income as a function of citizenship and a set of “control variables” thought to affect individual income levels while the second (and far less common) approach tries to track the same individuals over time to see what difference naturalization may have made in their economic trajectory.

The first study of immigrants in the U.S. using the cross-sectional approach was by Barry Chiswick and used 1970 census data (Chiswick 1978). He found that citizenship had a positive effect on earnings of adult foreign-born white men controlling for many important factors, but the effect lost significance once controlling for the length of residence in the U.S. In later analysis using 1980 census data on adult foreign-born men of all races, however, he reported a significant effect of about 5 percent, dropping to 4 percent once English language proficiency was controlled for (Chiswick and Miller 1992).

Since that early work, a body of international research has emerged that finds positive and significant relationships of citizenship with regard to earnings and employment (see, for example, DeVoretz and Pivnenko 2004; Bevelander and Pendakur 2011). However, it was not until very recently that another U.S.-based study relying entirely on the

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<sup>1</sup> Sumption and Flamm (2012) also provide a review of the literature but provide less econometric detail on earlier studies and do not conduct their own regression analysis. That publication, however, offers a broader view than we do of the policy context and related issues and is a very useful companion read.

cross-sectional approach was released. That report, by Heidi Shierholz of Economic Policy Institute, found that among immigrant families, citizenship was associated with family income that was 15 percent higher and poverty rates that were 3 percentage points lower (Shierholz 2010).

While the cross-sectional analysis is useful, there are several limits to this approach. The first is simply that the control variables must be *measurable* and available in the cross-sectional data itself. If there are important unobservable characteristics for determining economic outcomes that cannot be included in the regression and they happen to be related to citizenship, then the estimated impact of citizenship on economic outcomes are “polluted” by their influence. For example, suppose that the choice of citizenship is associated with a “go-getter” attitude – then the finding of a positive economic effect for citizenship may really reflect how that sense of internal drive (and not citizenship) intersects with labor market outcomes.

A second key issue in the cross-sectional approach is legal status: because authorization to work is generally not available in public survey data, it cannot be entered as a control variable. As a result, any economic gain to citizenship one finds *could* simply be a difference between those who are lawfully in the country (and hence can become citizens) and those who are not; as will be seen, we try to deal with this below. A third potential issue is reverse-causality: as pointed out in Sumption and Flamm (2012), the significant financial costs that are incurred during the naturalization process likely mean that the decision to naturalize partly depends on income levels, yet the model assumes that causation runs in the other direction.

Given these potential issues with the cross-sectional approach, a second approach to gauging the impact of naturalization involves estimating wage gains using longitudinal data (for the same group of people over time). With a longitudinal approach, one can theoretically account for individual characteristics (like “drive”) that are not captured in survey questions but are likely to impact both the decision to naturalize and income (what are called in the literature “individual fixed effects”). Such an approach also puts aside the issue of the unauthorized: in order to become a citizen, one needs to be authorized first so any gain from citizenship is just that (since to become a citizen, one must have already obtained legal status). Finally, a longitudinal approach also helps sort out the causality issues because one is tracking the income gain over time for the same person – and the way in which their initial income factored into the naturalization decision is already captured in the starting point of that trajectory.

Unfortunately, such longitudinal studies are a challenge data-wise and hence are few and far between. The only study on immigrants in the U.S. using this method (that we are aware of) is Bratsberg, Ragan, and Nasir (2002). Using data on 332 young male immigrants followed from 1979 through 1991, they found (among other things) that naturalization was associated with a wage gain of around 5.6 percent in their sample; they note that this is not a one shot gain and use an alternative set of specifications to suggest that naturalization leads to a small initial increase followed by wage growth over time that is faster than that of immigrants who did not naturalize but were otherwise similar.<sup>2</sup> The wage growth factors they find would seem to suggest ultimate gains from naturalization could be larger than the 5.6 percent – after all, they are tracking young men for only 12 years and so the average total increases they

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<sup>2</sup> In what is probably their best specified model (Table 7, column 2), one that controls for job shifts over time to the public sector or white-collar employment and, like us, considers only immigrants, they find a statistically insignificant initial bump of 1.3 percent, followed by an additional 1.8 percent increase in wages for every year after naturalization, with that second effect being statistically significant (Bratsberg, Ragan, and Nasir 2002, p. 588). This specification is close to our own model with occupational and industry controls. A specification that appears most comparable to ours without such controls comes earlier in the paper, and suggests an initial gain of around two percent (which is also not statistically significant) and subsequent (and statistically significant) annual gains of less than 2.5 percent (see Table 5, column 4). A subsequent study that carried out a similar analysis, but on immigrants in Germany, found more modest gains – an initial wage boost of less than one percent and then faster wage growth of only 0.29 percent per year (Steinhardt 2008). While the two studies are not really comparable given the many economic and social differences between the U.S. and Germany, one reason for the higher wage growth in the Bratsberg et al. effort may be, as noted in the text, that the empirical focus is on young males. As we see below, we find that there are declining returns to naturalization after a 12-17 year period and returns are higher for females. The Bratsberg et al. sample includes only males and is time constrained such that no one is allowed to experience the declining returns to naturalization, whereas the Steinhardt study (and ours) considers females and older adults as well.

estimate are a lower bound for a sample that would include females and older adults who might have more time since their date of naturalization.

One real strength of the Bratsberg, et al. (2002) study is that the authors directly compare the cross-sectional approach and the longitudinal approach *on the same data*. They do this by conducting a cross-sectional analysis of Census data, Current Population Survey data, and the dataset they use in their longitudinal work, the National Longitudinal Survey of Youth (NLSY). The results for all three cross-sectional analyses – all limited to young adult males – suggest that naturalization is associated with a wage increase of between 5 and 6 percent (with all controls in the regression analysis), a figure that is almost exactly what they find when they subject the NLSY data to the “over-time” analysis described above. Given the consistency of these results, we have more confidence that a cross-sectional approach will yield reliable results – and also anticipate that a cross-sectional estimate that includes those who have had more time since naturalization might find a larger overall effect.

In any case, the available research suggests that naturalization has some positive effect on income – even controlling for many important factors that also determine income levels. The purpose of our analysis below then is not to answer the question of whether there are economic benefits associated with attaining citizenship, but rather to provide a current estimate of the economic benefits that might accrue to the newly naturalized and what they could mean for the U.S. economy.

## Estimating the Returns to Naturalization

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### Describing the Data and Basic Methods

To derive a current estimate of economic benefits of naturalization, we focus on the annual earnings of individual immigrant workers in the 2010 American Community Survey (ACS).<sup>3</sup> We consider individual annual earnings rather than other measures of income (e.g. wages, family income) for several reasons. First, to the extent that naturalization increases one’s employability, this would include gaining more hours of work; in this sense, a strict focus on hourly wages would tend to understate the total income benefits of naturalization and overall earnings is thus the better measure.<sup>4</sup> Second, we consider *individual* earnings because we believe this is the more appropriate unit of analysis. At least one recent study has estimated the return to family income that is associated with naturalization of the head of the family. This approach essentially compares the family incomes of naturalized-immigrant headed families to those headed by non-citizen immigrants (Shierholz 2010). The underlying assumption here is that the naturalization of one person (the family head) can impact the income of other family members, perhaps because new citizens, who have themselves improved their job prospects, are able to help their spouses or other family members find better jobs. While this may be true, there is no way to really test this network effect and the more conservative approach (and one more consistent with the bulk of the existing empirical research) would be to focus on the link between citizenship attainment and individual earnings.

Using individual earnings as the dependent variable, we conduct a multivariate regression analysis using the cross-sectional approach described above. The basic approach in such a regression is to include as many factors as possible that are important in predicting income – and to then introduce a “dummy variable” that takes a value of one if the individual is a naturalized citizen and interpret the resulting coefficient on that dummy variable as

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<sup>3</sup> Specifically, the 2010 ACS data we use is from IPUMS (Ruggles et al. 2010).

<sup>4</sup> We considered including unearned income as well (e.g. rental income, capital gains, public subsidies), but there is either less theoretical basis for gains in these income sources through naturalization, or, in the cases of public subsidies, the increase is a transfer rather than a result of real or perceived enhancement in human capital.

the percentage gain from naturalization.<sup>5</sup> While the longitudinal approach might better control for individual characteristics, as noted above, results obtained using both approaches with the same data point in the same direction and even roughly to the same size effect (Bratsberg, Ragan, and Nasir 2002). Moreover, the advantage of cross-sectional data is sample size: while sample sizes tend to be relatively small in longitudinal datasets, the 2010 ACS covers about 1 percent of the U.S. population, including a raw count in that year of nearly 350,000 immigrants.

We focus on the immigrants in the sample because including non-immigrants in our regressions could create problems if there were, for example, different returns to education for the U.S.-born (which seems likely; after all, part of our argument for gains is based on the notion of U.S.-specific human capital investments). We further restrict our attention to immigrants ages 18 and older, not living in group quarters, who had worked during the year prior to the survey, with earned income between \$400 and \$292,000 in 2010.<sup>6</sup> We also omitted all respondents who arrived in the U.S. since 2005 as they are not likely to be eligible to naturalize.<sup>7</sup> The resulting sample size is just over 183,000, sizable enough to test multiple factors and achieve statistically significant results.

In our regression model, we control for a set of basic characteristics that are common to any wage or earnings equation: personal and household characteristics, including gender, race/ethnicity, marital status, and the presence of children; so-called “human capital” characteristics, including educational attainment, and potential work experience;<sup>8</sup> industry and occupation controls (for a set of 15 industries and 24 occupations); and geographic characteristics, including a set of state dummies to account for state-level differences in earned income. In addition to these, we also control for other measures that are more immigrant-specific and can be found in other studies modeling the economic benefits of naturalization. These include English speaking ability; recency of arrival in the U.S. (split into four periods and represented as dummy variables); and country of origin (a set of 20 dummy variables for the top 20 countries of origin for immigrants in the 2010 ACS). The latter country-of-origin controls are particularly important given that naturalization rates, incomes, and many of the key human capital measures noted above vary systematically by country of origin.

Finally, we include two measures that seem appropriate but were not found in our review of the literature: the immigrant/citizenship status of one’s spouse and a measure of “area unemployment.” The first measure seemed useful in helping to reduce bias. Given the increased propensity to naturalize for immigrants married to U.S. citizens (Woodrow-Lafield et al. 2004), if the same immigrants also tend to have higher income, holding other factors constant, then the omission of this information from the model would tend to overstate the returns to naturalization. To examine differences by spousal immigrant status (i.e. U.S.-born or foreign-born citizen), we included two separate dummy variables: one for marriage to a naturalized citizen and one for marriage to a U.S.-born citizen. The second new measure we introduced was a measure of local (that is, metro area) unemployment. This was based on the notion that particularly “loose” labor markets (i.e. those with high unemployment rates) generally have lower earnings and so controls for that effect are relevant, particularly if naturalized immigrants are more attracted to areas with low unemployment (which would then overstate the “citizenship effect”).<sup>9</sup>

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<sup>5</sup> The percentage calculation requires specifying the dependent as the natural log of earnings, something that is standard in labor market literature.

<sup>6</sup> The income range was determined by excluding the top and bottom 1 percent of the sample – an attempt to omit so called “outliers” – that is, observations that could skew the regression line by their extreme values. This is a standard approach, particularly with Census data where income is self-reported.

<sup>7</sup> Aside from those married to U.S. citizens and other special circumstances, one needs to reside in the U.S. for five continuous years to be eligible to naturalize.

<sup>8</sup> As is standard in such regressions, we also include the squared value of work experience; this reflects the idea that, after some period of time, there are declining returns to additional work experience and the square allows the relationship between work experience and income to take the shape of an inverted “U”.

<sup>9</sup> We are grateful to Michael Fix of Migration Policy Institute for suggesting area unemployment rates as a relevant measure. It is calculated as the unemployment rate for the metropolitan area in which an immigrant in our sample resides, or for persons living outside of a metro area, the rate for the non-metro portion of the state in which they reside, using the same 2010 ACS microdata that is used for calculating all other measures.

**Table 1: Size of Immigrant Population by Citizenship, Residency Status**

Country of Origin	Naturalized		Non-Citizen		Legal Permanent Residents (LPRs)		LPRs Eligible to Naturalize	
		%		%		%		%
Mexico	2,704	23%	9,043	77%	3,320	28%	2,650	23%
Philippines	1,155	65%	612	35%	590	33%	330	19%
Dominican Republic	417	47%	463	53%	470	53%	300	34%
Cuba	614	55%	498	45%	410	37%	280	25%
China	1,233	57%	935	43%	590	27%	260	12%
El Salvador	334	28%	873	72%	330	27%	260	22%
Canada	355	45%	430	55%	320	41%	260	33%
India	1,134	48%	1,243	52%	520	22%	240	10%
United Kingdom	332	49%	345	51%	290	43%	230	34%
Vietnam	930	75%	314	25%	330	27%	210	17%
Other, Foreign-born	8,250	52%	7,705	48%	5,900	37%	3,510	22%
<b>Total</b>	<b>17,458</b>	<b>44%</b>	<b>22,461</b>	<b>56%</b>	<b>13,070</b>	<b>33%</b>	<b>8,530</b>	<b>21%</b>

Notes: Universe includes total population. Data on LPRs are from Rytina (2012), and represent estimates for January 1, 2011. Numbers are in thousands. Percentages are figured as shares of all immigrants from each country of origin.

## Simple Differences Analysis: Size and Economic Characteristics of the Naturalized and Non-Citizen Immigrant Population

Before turning to our regression results, we look into some of the “raw” or unadjusted differences in the economic characteristics of naturalized and non-citizen immigrants, as compared to the U.S-born population. Of course, these simple differences overstate the effect of citizenship but they are useful to better understand the many ways in which the other characteristics of naturalized immigrants differ from those of non-citizens – and thus what we are seeking to control for in the regression exercise.

We begin, however, by looking at the current size and composition of immigrants by citizenship and permanent residency status, as well as the size of the eligible-to-naturalize population. This information is provided in Table 1, where data for the top 10 countries of origin for the eligible-to-naturalize population are broken out as well. In all, there are nearly 40 million immigrants living in the U.S – about 17.5 million of which are naturalized citizens, leaving some 22.5 million non-citizens. Among the non-citizen immigrants, 13 million are LPRs, and about two-thirds of those (roughly 8.5 million) are estimated to be eligible to naturalize (that is, they have resided in the U.S. for a sufficiently long period of time to be eligible to apply). Most of the remaining 4.5 million, while not included in our calculations of aggregate economic benefits below, will be eligible to naturalize by the end of 2015.

Mexico is by far the top country of origin for the eligible-to-naturalize, followed by the Philippines as a distant second; the next eight top countries of origin have following similar numbers of eligible-to-naturalize LPRs. As can be seen in the table, Asian immigrants in these top 10 tend to have the highest naturalization rates, and Latin American immigrants the lowest. Part of this surely has to do with higher rates of unauthorized status among immigrants from Latin America: when comparing the number of LPRs from each country to the number of non-citizens, we find that only about a third of non-citizens from Mexico and El Salvador have LPR status (with the rest presumed to be largely unauthorized) while the vast majority of non-citizens from the Philippines and Vietnam hold LPR status.<sup>10</sup> The trends for China and India are different, with roughly half of non-citizens holding LPR status. In the case of these two sending countries, the remainder (non-citizens without LPR status) is likely to include a large number of student-and work-visa holders, along with the unauthorized.

<sup>10</sup> Note that because data on non-citizens and LPRs were estimated separately (and for slightly different time periods), they should not be expected to be entirely consistent. For example, note that for the number of non-citizens from Vietnam is smaller than the number of eligible-to-naturalize from that country. This, of course, is not possible and should be interpreted as indicating a very high rate of LPR status among non-citizens from Vietnam.

**Table 2: Socioeconomic Characteristics of U.S. Workers by Nativity and Citizenship**

	U.S.-born	Naturalized Immigrants	Non-citizen Immigrants
<b>Earnings, Employment and Assets</b>			
Average annual earnings	\$39,065	\$43,579	\$28,797
Average daily earnings	\$107	\$119	\$79
Full-time workers	62%	69%	62%
Below poverty	8%	6%	16%
Homeowner	71%	72%	45%
Has health insurance	84%	82%	49%
<b>Years in the USA and English-speaking Ability</b>			
Years in the U.S.	–	25	16
Speaks English not at all	0%	1%	12%
Speaks English not well	0%	11%	27%
Speaks English well	1%	23%	23%
Speaks English very well	7%	45%	27%
Speaks English only	92%	19%	11%
<b>Educational Attainment</b>			
Less than High School	7%	15%	40%
High School Graduate	27%	21%	25%
Some College	36%	27%	16%
Bachelors Degree	20%	22%	10%
Master's degree	8%	9%	5%
Professional degree	2%	3%	1%
Doctoral Degree	1%	2%	2%

Table 2 turns to the differences in economic characteristics between naturalized and non-citizen immigrants. We see a large difference in average annual earnings, with naturalized immigrants actually earning more (on average) than U.S. natives.<sup>11</sup> The same goes for rates of full-time employment (which feeds into earnings), with 69 percent of naturalized immigrants working full-time compared to 62 percent of non-citizens and U.S. natives.<sup>12</sup> Even more dramatic differences between the naturalized and non-citizens are seen when it comes to poverty, home ownership, and health insurance coverage. In the remainder of the table, we see that, compared to non-citizens, naturalized immigrants tend to have resided in the U.S. longer, have much better English-speaking abilities, and report higher education levels. Interestingly, the share with a doctorate is about the same for the naturalized and non-citizens, reflecting the presence of high-skill immigrants who may have come to the U.S. on a student or work visa and may or may not hold LPR status.

<sup>11</sup> All reported figures in Table 2 through Table 4 are calculated for the regression sample, but expanded to include U.S. natives.

<sup>12</sup> As is standard in the literature, full-time work is defined as having worked at least 50 weeks during the year prior to the survey with a typical work week of at least 35 hours.



**Table 3: Industries and Occupations of U.S. Workers by Nativity and Citizenship**

	U.S.-born	Naturalized Immigrants	Non-citizen Immigrants
<b>Employment by Industry</b>			
Agriculture, Forestry, Fishing & Mining	2%	1%	4%
Construction	6%	5%	14%
Manufacturing	10%	12%	12%
Wholesale Trade	3%	3%	3%
Retail Trade	12%	10%	9%
Transportation, Warehouse & Utilities	5%	6%	4%
Information	2%	2%	1%
Finance, Insurance & Real Estate	7%	7%	3%
Professional, Management and Administrative Services	10%	11%	13%
Education, Health and Social Services	24%	24%	13%
Entertainment, Accommodation & Food Services	9%	9%	15%
Other Services	5%	6%	7%
Public Administration	6%	4%	1%
Armed Forces	1%	0%	0%
<b>Employment by Occupation</b>			
Management, Business & Financial	14%	14%	7%
Computer, Engineering & Science	5%	7%	4%
Community, Social Service and Legal	3%	2%	1%
Education, Training and Library	7%	5%	3%
Arts, Design, Entertainment, Sports & Media	2%	2%	1%
Healthcare Practitioners & Technical	5%	7%	2%
Healthcare Support	2%	4%	2%
Protective Service	2%	1%	1%
Food Preparation & Serving	5%	5%	10%
Buildings, Grounds Cleaning & Maintenance	3%	5%	12%
Personal Care & Service	3%	5%	4%
Sales and Related	11%	10%	8%
Office and Administrative Support	15%	12%	7%
Farming, Fishing and Forestry	1%	1%	4%
Construction & Extraction	5%	4%	13%
Installation, Maintenance & Repair	3%	3%	3%
Production	5%	8%	10%
Transportation & Material Moving	6%	6%	8%

Table 3 shows that there are fairly substantial differences in the industries and occupations in which naturalized immigrants are employed compared to non-citizens, with naturalized citizens showing much more similarity to the U.S.-born in terms of the jobs in which they work. For example, while non-citizens are far more concentrated in agriculture, construction, and accommodations and food services, naturalized immigrants are more likely to work in public administration, finance, insurance and real estate, education, health and social services, transportation and warehousing, and information. While these differences in sectors of employment reflect a mix of authorized versus unauthorized status and the generally bifurcated distribution of immigrants by skill level, some of the differences – most clearly in the case of public administration – reflect the potential for increased job access that citizenship can bring. Similar trends are seen when considering occupations, with non-citizens more focused in farming, construction, food preparation, and cleaning/maintenance jobs and naturalized citizens more likely to be found in healthcare, community and social services, protective service, management, education, office and administrative support, and computer, engineering and science occupations.

**Table 4: Average Annual Earnings for U.S. Workers by Nativity, Citizenship, and Selected Characteristics**

	U.S.-born	Naturalized Immigrants	Non-citizen Immigrants	% Diff.
<b>By Country of Origin</b>				
United States	\$39,065	--	--	--
Mexico	--	\$31,106	\$20,994	48%
Philippines	--	\$48,982	\$36,612	34%
Dominican Republic	--	\$31,334	\$22,607	39%
Canada	--	\$56,159	\$53,054	6%
Cuba	--	\$43,136	\$23,234	86%
El Salvador	--	\$32,287	\$23,334	38%
United Kingdom	--	\$58,420	\$55,122	6%
China	--	\$54,928	\$44,252	24%
India	--	\$58,167	\$62,960	-8%
Vietnam	--	\$39,826	\$25,095	59%
Other, Foreign-born	--	\$44,135	\$32,790	35%
<b>By Educational Attainment</b>				
Less than HS	\$20,937	\$26,044	\$19,885	31%
HS Diploma (or GED)	\$28,890	\$30,547	\$23,860	28%
Some College	\$33,360	\$36,063	\$28,083	28%
Bachelor's Degree	\$52,514	\$53,888	\$46,263	16%
Master's Degree	\$63,007	\$71,620	\$66,386	8%
Professional Degree	\$89,846	\$91,890	\$70,600	30%
Doctoral Degree	\$80,841	\$93,150	\$75,347	24%
<b>By English Speaking Ability</b>				
None	\$20,462	\$21,320	\$17,476	22%
Not well	\$29,507	\$25,923	\$20,690	25%
Well	\$29,203	\$36,557	\$26,923	36%
Very well	\$34,152	\$49,370	\$38,250	29%
Only	\$39,564	\$49,596	\$41,562	19%

Note: The "% Diff." column reports the percentage differences between earnings of naturalized and non-citizen immigrants (naturalized immigrants minus non-citizen immigrants).

Finally, Table 4 looks at differences in earnings between naturalized and non-citizen immigrants who have certain characteristics in common – those that have been shown in past research and in the tables presented above to be most useful in distinguishing naturalized immigrants from non-citizen immigrants *and* higher income earners from those earning less. The table shows that while there are in fact large overall differences in earnings between immigrants from different countries and differing levels of educational attainment and English speaking abilities, it is virtually always the case that if any of these characteristics is held constant, naturalized immigrants earn more than non-citizens. For example, while immigrants from China tend to have much higher earnings than immigrants from El Salvador overall, naturalized immigrants from both countries earn substantially more than their non-citizen counterparts. Look also at education: naturalized immigrants with a similar level of education always earn more and this persists in the upper strands of educational status, where it is unlikely that the difference is driven by, say, status as an undocumented resident. And while speaking English is an income enhancer for all immigrants, it is especially so for citizen immigrants.

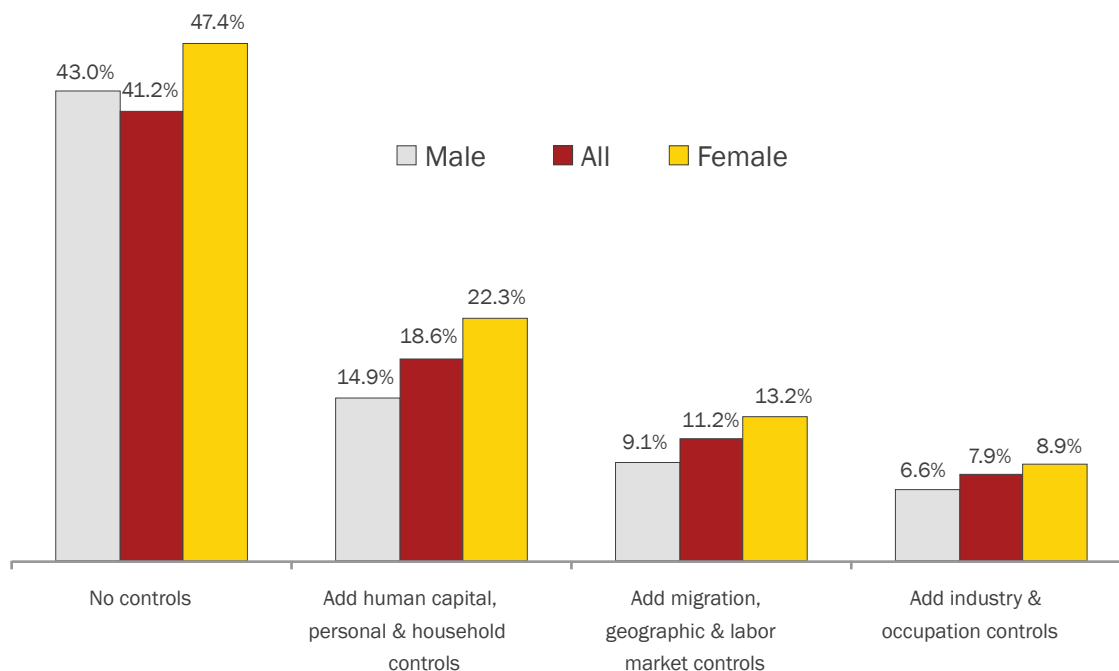
While these comparisons do suggest that none of these important characteristics single-handedly “explain away” the earnings differential between naturalized and non-citizen immigrants, they do not provide compelling evidence that there is an independent relationship between citizenship and earnings. Indeed the differences in earnings shown in the final column of Table 4 still surely overstate the returns to citizenship, as there are likely important differences in human capital and other characteristics between, say, immigrants from Mexico who have attained citizenship and those who have not. To isolate the difference in earnings that is related to naturalization alone, all measureable factors that are thought to affect earnings as well as the decision to naturalize must be considered together in the context of a multivariate regression – a task we take up in the next section of this report.

## Adjusted Differences Analysis: Regression Results

Given the above examination of the many ways in which naturalized citizens differ from their non-citizen counterparts, what happens to the difference in earnings when we try to take all of these differences into account?

The appendix to this policy brief offers the full regression results for the interested technical reader – if you are like us, you are eagerly turning there now – but if you are, shall we say, more normal, you probably just want to know the highlights. These include the fact that all of the control variables had the expected signs: more valued human capital characteristics, such as higher education levels, work experience, and English speaking ability are associated with higher earnings, being female or non-white is associated with lower earnings (however, for non-Hispanic Asians, the effect is only significant once industry and occupation controls are included), being married and having children is associated with higher earnings as compared to being unmarried (and, if married, having a U.S.-born or naturalized-immigrant spouse is associated with higher earnings than a non-citizen spouse), and living in a region with higher unemployment is, as expected, associated with lower earnings.

**Figure 1: Earned Income Returns to Immigrant Naturalization**



What this basically means is that the regression is well-behaved and so we can focus on the specific variable of interest: citizenship. The results are shown in Figure 1. First, the unadjusted difference between average annual earnings of naturalized and non-citizen immigrants in our sample is large (around 41 percent), largely confirming the big gaps that were shown in the simple differences shown in the preceding tables.<sup>13</sup> However, once we begin to control for differences in characteristics that are important in determining a worker's earnings, this difference drops dramatically (and appropriately), first down to 19 percent after adjusting for human capital, personal and household characteristics; 11 percent after adding in migration, geographic and labor market controls; and, finally, 8 percent after accounting for differences in the industries and occupations in which people work. Consistent with previous research, the returns to naturalization for females are slightly larger – 9 percent as compared to 7 percent for males in the model with the full set of controls – and the figure of 8 percent is well within the range of other U.S. estimates.

While there is a clear and concrete case for inclusion of most of these control variables, for the last category – industry and occupation – the case is less clear. After all, some authors stress that one of the paths to higher earnings through naturalization is increased job mobility (Bratsberg, Ragan, and Nasir 2002). To the extent that job mobility involves a change in one's industry or occupation of employment, the model does not allow the citizenship dummy variable to capture the positive effect such a change could have on one's earnings. However, job mobility is not the only path to higher earnings, and obviously there are many immigrants who do not change industries or occupations after naturalizing (even if they change jobs). With these considerations in mind, we suggest that the "true" impact on earnings from gaining citizenship falls somewhere between the 8 and 11 percent figure, and treat the two results as lower- and upper-bound estimates, respectively, for the remainder of our analysis.

Given the fairly dramatic differences in characteristics detailed above, all of which are important determinants of earnings, it is not surprising that they account for the majority of the difference in earnings between naturalized and non-citizen immigrants. However, the fact that a statistically significant difference persists even after taking many other important factors into account, suggests that policies designed to increase naturalization could yield important economic benefits for both immigrants themselves and for the U.S. economy as a whole.

## **What About the Unauthorized? Results from California**

An important limitation to the cross-sectional regression analysis presented above is that we are only able to control for characteristics that are measured in public survey data. One important control that we are unable to include in our analysis – and one we are obliged to pay particular attention to given its centrality to the immigration debate – is legal status. After all, when an immigrant naturalizes, they move from holding LPR status to citizenship – not from unauthorized status to citizenship (which, of course, is not possible as LPR status is a precondition to citizenship). Given that unauthorized immigrants tend to be concentrated in low-wage jobs and might be subject to significant labor exploitation, wouldn't their inclusion among the non-citizens in our sample tend to overstate our estimate of the returns to naturalization?

On the face of it, the answer to this question would seem to be a clear "yes." However, there are reasons why this might not be the case. As noted above, there are many characteristics that we are unable to control for, but they are only a problem for our estimate of the returns to citizenship if: (1) they are related to both the decision to naturalize and income, and (2) their effect is not largely captured by other variables already included in the model.

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<sup>13</sup> The observant reader may notice that this is less than the 51 percent difference in earnings indicated in Table 1. The reason is that we are looking at the difference in the logged values of annual earnings. This is standard in the literature because unlike raw values, logged differences are not affected by whether you are asking about the percent one value is above or below another – and that better allows you to track the effects of specific variables because the reported coefficient is then the percent difference either up or down.

For example, we might assume that people who are really good communicators are both more likely to naturalize and earn more than people who are less articulate. However, given that higher levels of educational attainment tend to be positively correlated with communication skills, and that we control for education in our regression model, the fact that we are unable to control for communication skills directly is not likely to skew our results. Likewise, given that unauthorized status has been shown to be closely associated with a set of variables that are included as controls in our model (e.g. country of origin, educational attainment, year of arrival in the U.S., English speaking ability, industry, occupation), the inability to directly control for the unauthorized may not have a noticeable effect on our results.

Of course, it would be even better if we knew who was unauthorized among the non-citizen immigrants in our regression sample; we could then exclude them from the regression, leaving the citizenship dummy to capture just the difference between naturalized immigrants and authorized non-citizens. While this is information that we do not have for our entire U.S. regression sample, we do have such estimates for a subset of our sample: Latinos in California. These estimates are based on work done by Enrico Marcelli of San Diego State University in which he conducted a set of surveys of Mexican immigrant adults in Los Angeles County, collecting information on both legal status and many other socio-demographic characteristics that are common in public survey data.<sup>14</sup> Marcelli then uses the data to model authorization as a function of variables that are also publicly available, including age, gender, education, and recency of arrival in the U.S. We borrow and apply the regression coefficients from this model to the individual answers in the Census to assign a probability of authorized status; while this model is likely not suitable to predict who is unauthorized among all non-citizen immigrants in our U.S. regression sample, our experience is that it is reasonably valid when extended geographically to all of California, and demographically to include all Latino immigrant adults.<sup>15</sup>

With that done, we then ran the same earnings models using only the California portion of our regression sample. We first ran the same models reported on in Figure 1 for the entire California regression sample, and because our unauthorized estimates are only for Latinos, we then replicated the model, restricting the sample to Latinos only (to note any differences in the returns to naturalization for that immigrant group), and finally ran it again restricting to Latinos but excluding those individuals that were estimated to be unauthorized. These results are reported in Table 5.<sup>16</sup>

For comparative purposes, in the first column we reiterate the results for all immigrants from the U.S. regression sample, as reported in Figure 1. When comparing to the second column, which reports the results for the California sample only, we find that the returns to naturalization are somewhat higher in California than in the U.S. overall, with a raw (unadjusted) difference in earnings of about 50 percent, falling down to about 11 percent once all of the

**Table 5: Earned Income Returns to Immigrant Naturalization, Restricted Samples**

	Full Regression Sample, all U.S.	Full Regression Sample, CA Only	Latinos Only	Latinos Only, Excluding the Unauthorized
No controls	0.412	0.499	0.415	0.348
Add human capital, personal & household controls	0.186	0.220	0.281	0.253
Add migration, geographic & labor market controls	0.112	0.139	0.196	0.190
Add industry & occupation controls	0.079	0.109	0.153	0.148

<sup>14</sup> For a fairly recent description of the approach, see Marcelli and Lowell (2005).

<sup>15</sup> For example, we have used it as such in past research, and found it to produce an estimate of the total number of unauthorized Latino adults in California that was very close to other estimates that were based on different data and different methodologies, particularly the “residual” approach of estimating the undocumented population (see, for example, Pastor et al. (2010)).

<sup>16</sup> To conserve space, the detailed results for these regression models are not included in this report but are available upon request.

controls are entered into the model. Interestingly, while the raw returns to naturalization for Latinos in California (the third column) are somewhat lower than those for all California immigrants (41 percent as compared to 50 percent), they are higher under the fully specified model (15 percent as compared to 11 percent). This is likely due to differences in human capital and other characteristics between Latino and other immigrants being captured by the various control variables, as they are entered, leaving the citizenship variable more “pure” – that is, coming closer to capturing the independent relationship between citizenship and earnings, and not simply picking up the (positive) earnings impact associated with being a non-Latino immigrant – a group that tends to have higher citizenship rates than Latino immigrants (as evidenced in Table 1).

In the fourth and final column, unauthorized Latinos are dropped from the regression sample, effectively leaving the citizenship variable to pick up differences in earnings between naturalized Latino immigrants and their non-citizen (but authorized) counterparts. There we find results that are not dramatically different from the model that included the unauthorized (third column), and the difference between the two gets smaller as more controls are introduced into the model. The unadjusted difference is about 35 percent when the unauthorized are excluded from the sample as compared to 42 percent when they are included, but these figures both round to around 15 percent under the full specification.

These results may also help to explain a conflict between results we found in a cross-sectional examination of the returns to authorization (Pastor et al. 2010) and the results obtained in a very different look at the gains to LPR status using a smaller but longitudinal sample (Hill, Lofstrom, and Hayes 2010). In that work, we estimated a nearly 10 percent gain from authorization while Hill, Lofstrom and Hayes found negligible gains, with one of their rationales for this surprising result being that in current economic conditions, there was very little difference in the labor market for authorized and unauthorized immigrants.

We think there may be some issues with sample bias in the work by Hill, Lofstrom, and Hayes but the results above also suggest that it is possible we were both right. After all, they were looking at a very short time period after gaining LPR status, and if the real gain comes from citizenship, it is not likely that they would have found a positive effect since it takes at least five years to become naturalized. At the same time, the cross-section distinction we found may have been partly due to citizenship itself, something that is suggested by the small difference in the citizenship effect when we include the unauthorized. We note further that the wage gains some researchers suggested came from the 1986 Immigration Reform and Control Act – the so-called Reagan “amnesty” – accrued years later and could also partly reflect citizenship (as well as a different economy, time period as well as improved job mobility).<sup>17</sup>

The bottom line of this analysis: while the inclusion of the unauthorized in the non-naturalized immigrant base seems like it should distort a comparison of earnings between naturalized immigrants and non-citizen (but authorized) immigrants, it does not seem to do so in a state and population for which we have better information on authorization. Given that the comprehensive set of human capital and other controls we use to predict earnings are also predictive of legal status, this result should actually not come as much of a surprise.

## **How Long Does It Take for Benefits to Materialize?**

If naturalization does indeed have a positive effect on earnings, how long do those increased earnings take to materialize? While this question was addressed in the longitudinal analysis of Bratsberg et al. (2002), it has not been possible to explore with the use of cross-sectional Census data until very recently. In 2008 the ACS added a question asking naturalized immigrants the year in which they naturalized. Using information gleaned from this question in our 2010 ACS microdata, we ran the same regression model presented above, but rather than entering the citizenship dummy as a single variable, we split it into a set of dummy variables capturing those who naturalized during different periods of time prior to the survey.

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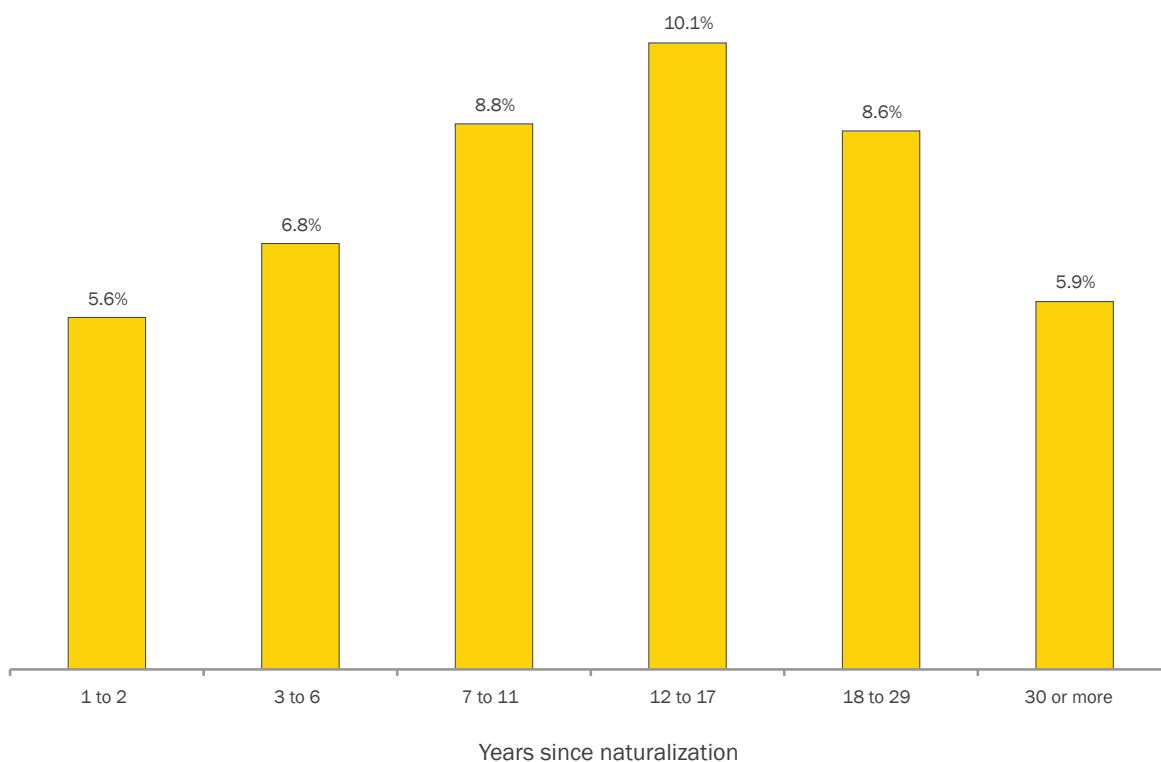
<sup>17</sup> See the review of the literature in (Hinojosa-Ojeda 2010).



Recall that the longitudinal analysis in Bratsberg et al. (2002) suggested that there was an initial gain followed by faster wage growth over time. Thus, we set the first period at less than two years since naturalization – using two years instead of one to increase the sample size and hence statistical reliability – in order to capture the more immediate effect of naturalization on earnings.<sup>18</sup> This initial period included about 7 percent of all the naturalized and subsequent periods were determined such that each band of years since naturalization included about 20 percent of all naturalized immigrants in the regression sample, with the final range – 30 or more years since naturalization – capturing about 12 percent of the sample.

The results of this regression are summarized in Figure 2.<sup>19</sup> There, we find a boost in earnings of 5.6 percent for those who naturalized one or two years ago, a figure that is fairly close to that found using a comparable specification from Bratsberg et al. (2002).<sup>20</sup> The effect increases with experience since naturalization, reaching about 10 percent for immigrants who naturalized 12 to 17 years prior to the time of the survey. The relative slowdown in increased returns to earnings with each year since naturalization differs from Bratsberg et al. (2002) but recall that they are focused on younger workers and a relatively short time since naturalization. We would note that the growth per year we find over the long haul is actually quite close to that obtained in Steinhardt (2008). In any case, our results do support the notion, however, of a relatively immediate boost in earnings associated with naturalization, with additional gains over subsequent years.

**Figure 2: Earned Income Returns to Immigrant Naturalization by Recency of Naturalization (lower bound estimates)**



<sup>18</sup> The number of years since naturalization referred to here is figured such that the past two years includes all persons in the 2010 ACS who reported naturalizing in 2009 or 2010 (about 7 percent of all naturalized immigrants in our regression sample).

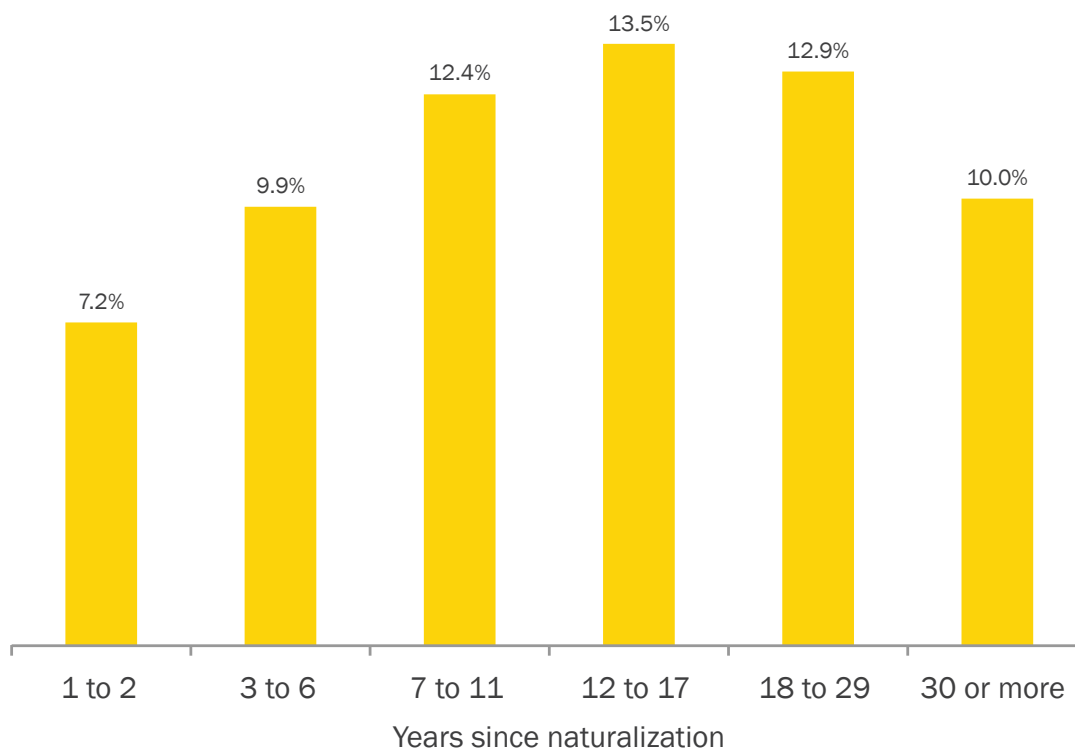
<sup>19</sup> Detailed regression results are not included here as there were no important changes to any of the other regression coefficients, but are available upon request.

<sup>20</sup> Table 7, column 2 of that paper has the results that are likely closest to our specification presented here. There is an initial gain of 1.26 percent and wage growth of 1.79 percent per year thereafter; the average gain for those either one or two years after naturalization is 3.9 percent. While this is somewhat lower than our 5.6 percent, given the inclusion of females in our sample and many other differences, it appears reasonably close.

Our results also suggest that the gains to naturalization appear to diminish for those who naturalized long ago, falling back down to only about 6 percent for those who naturalized 30 or more years ago. A decline in returns is not entirely surprising: the citizenship effect could simply wear off over time, in accordance with the law of diminishing returns.<sup>21</sup> Such a result was not found, however, in Bratsberg et al. (2002) – but again, their sample included only younger immigrants and that may also partly explain why their estimated trajectory was so sharp (and we suspect, unrealistically so).<sup>22</sup>

There are more specific reasons why the citizenship effect might diminish over time. For example, consider our argument that citizenship “signals” to employers that the employee is definitely lawfully in the country and more likely to be committed to remain in country and on the job. Immigrants who have been in the U.S. for a very long time are likely to be more Americanized in both their work profile and human capital investments, weakening the power of citizenship as a signaling device to employers for traits they are looking for, such as command of English, good character, legal status, and a commitment to remain in the U.S. (recall that the regression controls for recency of arrival so we are focused on how citizenship differentiates two immigrants with the same tenure in the U.S.). Yet another (related) reason could be that immigrants who naturalized a long time ago tend to be less Latino and Asian; even though we are trying to control for labor market discrimination against these groups by adding control variables for ethnicity, it could be that the citizenship “signal” is less important for long-naturalized (and more likely to be white) immigrants.

**Figure 3: Earned Income Returns to Immigrant Naturalization by Recency of Naturalization (upper bound estimates allowing for industry and occupational shifts)**



<sup>21</sup> This is why age or work experience is typically entered as a quadratic function in wage or earnings regressions (i.e. years of work experience and it’s square are both included on the right-hand-side rather than work experience alone) – to allow the model to account for diminishing returns to years of work experience.

<sup>22</sup> In fact, the models in Bratsberg et al. do not allow for diminishing returns to naturalization as experience since naturalization is never entered as a quadratic.

We should also note something that is relevant to subsequent calculations: the estimates of the gains for each period since naturalization in Figure 2 are based on our lower-bound estimates, from the model in which we are controlling for industry and occupation – which essentially means that one of the quite logical outcomes of naturalization, the enhanced ability to job-switch, is essentially ruled out as one of the ways in which to increase earnings. If we allow for such job shifting immediately and throughout the rest of one’s work life, we get a higher initial return and the gains last longer before declining.<sup>23</sup> These upper-bound estimates are reported in Figure 3. We suspect that the probable outcome in terms of both the size of the effect and the path it takes over time lies somewhere in the middle.

In either case, the upshot is that citizenship pays – and that the premium rises slowly over time. Any program seeking to help the economy by encouraging citizenship would need to differentiate between short-term effects (in the first few years) and long-term effects. It may also be, as suggested in Shierholz (2010), that there are even more long-run gains than we indicate if the naturalization of one household member confers benefits on another through access to a wider range of social contacts, more U.S.-specific human capital investments, and improved employment.

## Potential Economic Impact of Immigrant Naturalization

So immigrants might benefit from naturalization – but what about the rest of us? In this section, we do a brief calculation of the economic benefits to the overall U.S. economy of large numbers of immigrants naturalizing. While we first note the income gains possible under a scenario of complete naturalization of all eligible immigrants in a single year simply to illustrate the process of our calculations, we then point out the returns if we assume a more realistic path of increasing naturalization such that we halve the pool of the eligible to naturalize under three different time frames.

Of course, the first issue is why we might expect an improvement in the overall economy anyway. Part of the reason is that the wage gain we estimate is not redistributive: the sort of wage regressions used above essentially estimate a worker’s worth and how it changes with changes in control variables, and hence the estimated boost from citizenship is an addition to productivity and income.<sup>24</sup> These “supply side” gains come, as we noted, from more U.S.-specific human capital investments and a better match between employer and employee. However, the new earnings of immigrants may then trigger a demand-side impact as a portion is spent, “rippling” through the economy and generating additional income, spending and economic activity.

This logic implies that we need to do two basic estimates: first, calculate the aggregate increase in immigrant income due to naturalization, and second, the induced effects that may emerge as that income flows into new spending. We spend most of this section on the first and more direct effect; we close by discussing some ways to think about the induced effect.

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<sup>23</sup> This is consistent with the differences in initial gains and subsequent wage growth in Table 5, column 4 and Table 7, column 2 in Bratsberg, Ragan, and Nasir (2002), in which the effects are smaller once some sectoral factors are introduced into the regression analysis.

<sup>24</sup> The underlying assumption is that our regression estimates reflect a labor market in equilibrium, and thus the increase in earnings of newly naturalized immigrant workers results from meeting the demand for labor at the going wage. Note that this implies an increase in gross domestic product (GDP) of at least the amount of the increase in earnings for newly naturalized immigrants, as for each additional dollar paid out in wages there is some amount of profit (on average). Thus, our estimates are conservative as there are likely to be attendant increases in firm profits that are not taken into consideration here.

**Table 6: Impact on Annual Immigrant Citizen Earnings from Full-Naturalization Scenario**

Eligible-to-Naturalize Workers		
Total Eligible to Naturalize	8,530,000	
x Share of Non-Citizens in Regression Sample	46.23%	
= Eligible to Naturalize Workers	<b>3,943,820</b>	
	<i>From Naturalization Alone</i>	<i>Including Industry/ Occupation Effect</i>
Increase in Earned Income from Naturalization (per worker)		
Average Earnings for Non-Citizens in Regression Sample	\$28,797	\$28,797
x Returns to Naturalization	7.93%	11.22%
= Increase in Earned Income from Naturalization (per worker)	<b>\$2,283.19</b>	<b>\$3,232.39</b>
Increase in Immigrant Earnings		
Eligible-to-Naturalize Workers	3,943,820	3,943,820
x Increase in Earned Income from Naturalization (per worker)	\$2,283.19	\$3,232.39
= Aggregate increase in earned income	<b>\$9,004,479,623</b>	<b>\$12,747,970,768</b>

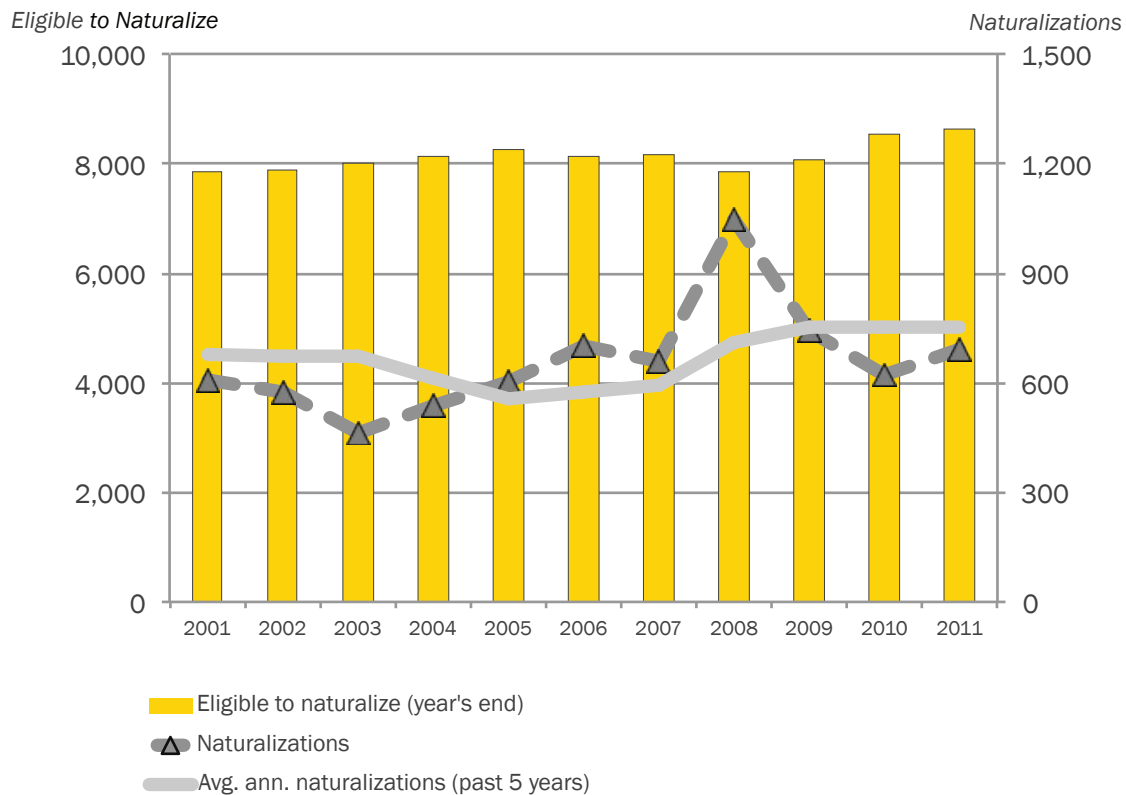
The basic process to estimate the direct increase in immigrant aggregate income involves multiplying the average annual earnings for non-citizen immigrants by the estimated returns to naturalization from our regression model as presented in Figure 1.<sup>25</sup> To play it on the conservative side, we focus first on the estimate of the returns to naturalization obtained in the fully specified model with industry and occupation controls; however, parallel to our path estimates above, we note that one important impact of naturalization could be increased mobility and so we also present a set of estimates that includes shifts in industry/occupation on the part of newly naturalized immigrants.

In both cases, the average dollar gain per newly naturalized immigrant per year is then multiplied by the number of persons who are both eligible to naturalize (according the most recent estimates from the OIS) *and* likely to see gains in earnings from naturalization. That means we need to know how many of those eligible to naturalize are actually working, a data point not readily available in data from the OIS. On the other hand, the share of all non-citizen immigrants in the 2010 ACS that met the cut to be included in our primary regression sample was 46.2 percent. We believe this is a lower-bound estimate of the share of the eligible-to-naturalize who are working since naturalization might also step up attachment to the labor force; we note, for example, that nearly 62 percent of all immigrant citizens in the 2010 ACS made the cut into our regression sample, suggesting that non-citizen immigrants who are currently not working might move into the labor force.

If we now multiply the estimated gain in earnings for the average newly naturalized immigrant by the total number of eligible-to-naturalize workers, we get an estimate of the maximum possible direct increase in annual earned income. That set of basic calculations is shown in Table 6; as can be seen, using the approximate 8 percent increase in earnings from naturalization alone, we find an aggregate increase in earnings of 9 billion dollars per year, an effect that rises to nearly 13 billion dollars if we allow for the possibility of gains in earnings from changes in industry and/or occupation. Note further that that the actual impact on the economy would be larger because we have not yet included any of the induced effects from the new spending such earnings might spur.

<sup>25</sup> Note that using average earnings for all non-citizens included in our regression sample as the basis for calculating the dollar increase in earnings via naturalization will tend to understate the result. This is because, as noted above, the non-citizens in our regression sample include the unauthorized as well as those who are authorized, but not eligible to naturalize – both of whom tend to have lower earnings than immigrants who are eligible to naturalize.

**Figure 4: The Eligible-to-Naturalize Population and Naturalization, 2001-2011 (Thousands)**



Of course, not everyone who is eligible will naturalize – there are reasons, such as attachment to homeland, which may mean that some immigrants never opt for U.S. citizenship. Moreover, even if every eligible individual decided to naturalize, it is unlikely they would all do so in a single year (plus, imagine the workload in the offices of Citizenship and Immigration Services!). Thus, below, we create a partial and phased naturalization scenario and calculate those impacts.

To do this, we begin by considering estimates of the eligible-to-naturalize as reported in a series of reports by Nancy Rytina of the OIS at the end of each year, along with the number of naturalizations reported by the OIS during each year, as well as the average over the previous five years (to give a sense of the longer-run trend).<sup>26</sup> As can be seen in Figure 4, the number of naturalizations fluctuates from year to year, with a peak in 2008 of about 1,046,000 naturalizations. The five-year average is steadier, of course, hovering around the range of 600,000 and 700,000 per year. Thus, despite the steady flow of naturalizations, the concurrent flow of new LPRs has meant that there has been little change in the pool of the eligible-to-naturalize, which has remained remarkably stable, showing only a modest increase over the past decade.

<sup>26</sup> All data is from the Office of Immigration Statistics (OIS). Naturalizations per year are from the 2011 Yearbook of Immigration Statistics. The number of LPRs eligible to naturalize are from a series of reports by Nancy Rytina which began in 2004 (providing estimates as of January 1st, 2002), with most recent estimates from a 2012 report (estimates as of January 1st, 2011). No such report was released with estimates for January 1st, 2005, so this data point was interpolated. The estimate for January 1st, 2012 has not yet been released, so this data point (for year's end 2011) was estimated as the stock of the eligible to naturalize at year's end 2006, plus the number of LPRs attaining status from 2002 through 2006, less the number of naturalizations from 2007 through 2011, adjusted downward slightly (by 9 percent) to account for mortality and emigration. Applying this approach to earlier years yielded estimates that were very close to those reported by the OIS.

To look at the possible economic gains, we set as a target not naturalizing everyone possible but simply halving the stock of eligible-to-naturalize LPRs by stepping up the rate of naturalizations per year. To reach this goal, a program would have to yield about 4.3 million naturalizations in addition to those that would have otherwise occurred (essentially working down the stock while maintaining the current flow).<sup>27</sup> We assume that only a portion of those will be working adults – we use the same low end guess as in Table 6 – since it is unlikely that the government would target only that population (although private business-initiated efforts, discussed below, might exhibit such targeting).

We estimate three scenarios – one in which we achieve the overall naturalization goal in five years, one in which we achieve the goal in seven years, and one in which we achieve the goal in 10 years. For each scenario, we calculate the cumulative impact on immigrant earnings over the 10 years after the program is initiated. To facilitate the calculation, we make a simplifying assumption that the increase in naturalizations required to reach the goal is spread evenly over the program’s time frame; for example, in the 10-year scenario, one tenth of the goal is achieved in year one and so it is not until year 10 that we have worked down the stock by half. This implies that gains in each year increase by the amount of new naturalizations in excess of historic levels (i.e., year two has two tenths of those we hope to naturalize making higher wages). We also assume that the returns to earnings from naturalization change over time according to the estimates reported in Figures 2 and 3 (so that the first cohort in a 10-year scenario sees its gains rise after several years while the last cohort in has only one year since naturalization and hence only enjoys the initial 5.6 percent gain in the case where no one can switch jobs and 7.2 percent gain in the case where we have relaxed the industry and occupation controls).<sup>28</sup>

The results of this analysis are reported in Table 7. The most modest of the three programs meets the naturalization goal in 10 years; it requires just over 1 million naturalizations per year (only 4 percent higher than the 2008 peak) and would result in an increase in cumulative immigrant earnings over 10 years of between 21 billion and 29 billion dollars. The most ambitious program assumes that the goal is reached within five years. This would require about 1.5 million naturalizations per year (about 44 percent higher than the 2008 peak), and would result in additional immigrant earnings of between 32 billion and 45 billion dollars over 10 years, with the lower-bound estimate assuming no job shifts and the upper-bound assuming a quickly realized and full ability to job switch. As suggested before, the probable effect lies somewhere in the middle.

Of course, the cycle does not necessarily end there: increased income is spent and produces additional gains in GDP. To consider this, we turned to both a recent set of macroeconomic multipliers calculated by Mark Zandi, Chief Economist of Moody’s Analytics (Zandi 2011) and a related analysis by Robert Pollin and Heidi Garrett-Peltier (2011). Zandi is focused on demand-side fiscal policies and so provides a range of estimates of the one-year change in GDP

**Table 7: Impact on Immigrant Citizen Earnings from Partial-Naturalization Scenarios**

Program to halve the eligible to naturalize population in...	Number of naturalizations per year	Increase in naturalizations per year over peak year (2008)	Cumulative increase in immigrant earnings over 10 years (lower bound)	Cumulative increase in immigrant earnings over 10 years (upper bound)
5 years	1,512,109	44%	\$31,903,221,816	\$44,677,213,157
7 years	1,268,395	21%	\$27,393,402,749	\$38,261,962,178
10 years	1,085,609	4%	\$21,166,781,923	\$29,400,820,587

<sup>27</sup> This statement assumes a number of naturalizations per year equal to the 2001 through 2011 average of about 650,000, and that this rate of naturalization would leave the pool of about 8.5 million eligible to naturalize unchanged as has been the general case over the past decade.

<sup>28</sup> All other aspects of our estimation procedure are the same as those described above to estimate the impact of a full-naturalization scenario on annual immigrant earnings, as reported in Table 6, including the use annual average earnings for non-citizen immigrants in our regression sample (\$28,797) as the basis for the calculations (with no adjustment for earnings growth over time that is unrelated to the impact of naturalization), and the assumption that only 46.2 percent of the newly naturalized are workers and will thereby see an increase in earnings.



(in dollar terms) expected to result from a one-dollar increase in government spending (or reduction in federal tax revenue). The size of the multiplier for different policy proposals reflects the differences in the extent to which the recipients of the government spending will turn around and spend that money immediately, sending it cycling through the economy and generating additional income and spending.<sup>29</sup> It is no surprise that he finds that the multiplier for an increase in food stamps (1.71) is higher than that for an across-the-board tax cut (1.04) – there is not much one can do with food stamps *but* spend them while money saved on taxes might go directly into savings or debt service. Similarly, Pollin and Garrett-Peltier find a comparatively higher employment multiplier for personal tax cuts versus increased military spending, with their estimate of induced effects a bit higher than that implied by Zandi's figures.

For our estimates, the most relevant multiplier may be the one Zandi provides for the Making Work Pay Credit, partly because that policy was aimed at a population whose average annual earnings mirror those of the non-naturalized immigrant workforce. That multiplier is 1.17, meaning that a \$1 increase in income for the newly naturalized will result in a \$1.17 increase in GDP.<sup>30</sup> The Pollin and Garrett-Peltier estimates of induced effects suggest a multiplier for induced effects that would be higher. But using the more conservative Zandi approach suggests an overall gain that would fall between \$37 billion and \$52 billion over the 10 year period for the most aggressive naturalization program. This number is likely a severe underestimate of the overall impact because the initial boost to GDP has elements of a supply shock in which productivity is permanently increased due to more U.S.-specific human capital and a better match between employers and employees. All this suggests that the figures cited above for the increase in earnings is a minimum gain to be had by pursuing a relatively modest program of increased naturalizations.

## Implications for Policy and Practice

Obtaining citizenship involves jumping a number of hurdles, most of which most Americans think are quite reasonable. For example, to be naturalized, LPRs must demonstrate English language proficiency, knowledge of US history and government, and pass a criminal background check. They must also pay for the application and biometrics tests (USCIS 2012).

The policy question is when do hurdles become obstacles, particularly given the gains to be had for both immigrants and the nation. One issue is the size of the application fee; with the biometrics fee, the cost totals \$680. In a survey of 526 LPRs in Texas, Freeman, Plascencia, and Gonzalez Baker (2002) found that among eligible LPRs who had not filed a naturalization application, 20 percent cited cost as a prohibitive factor, 24 percent a lack of time, and about 16 percent (each) the lack of English proficiency or knowledge about navigating the naturalization system.

Does cost really matter? Some evidence of price sensitivity was shown when USCIS increased the cost to naturalize from \$400 to \$595 (plus the costs of biometrics) in the middle of 2007: the result was a surge of applications just prior to the fee increase. As a result, there were nearly 1.4 million naturalization applications filed in 2007 but just over 500,000 in 2008 (Sumption and Flamm 2012 citing Department of Homeland Security 2011). Afterwards, the number of applications has slowly increased to more typical levels, suggesting that adjustments do take place. But it is also important to realize that the fee itself is a lower-bound estimate of costs: successful applicants may also need to put time and money into English and civics courses, as well as obtaining any needed legal or other assistance in preparing the paperwork (Leighton et al. 2008). While these costs are not comfortable for, say, a middle-income

<sup>29</sup> The magnitude of such multipliers also varies with economic conditions: when the economy is operating at near full capacity, with low unemployment and high demand, they tend to be lower; if the reverse is true (such as the current state of the economy), they tend to be higher.

<sup>30</sup> The average annual earnings of non-citizen immigrants in our regression sample (\$28,797) is close to an approximation of the average income for all workers that qualify for the credit (\$26,290). The latter figure was calculated by taking the average of annual earnings for all workers in our regression sample, expanded to include U.S. natives, that had earnings below \$75,000, which is the upper limit on Adjusted Gross Income to be eligible for the this particular credit.

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## Micro-financing the Midwest

**The State of Illinois partnered with the Illinois Coalition for Immigrant and Refugee Rights to launch the New Americans Initiative, a statewide naturalization assistance program. A cornerstone of this initiative is the microloan programs in which local organizations throughout the state partner with commercial and community banks as well as credit unions to help ease the costs of naturalization fees. These loans range from a minimum of \$680 to a maximum of about \$1,500 and usually are repaid in about 6-12 months with minimal interest.**

Source: Cost and Financing, The New Americans Initiative, Illinois Coalition for Immigrant and Refugee Rights. <http://icirr.org/node/1181>

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earner, they can be unreachable for many low-income immigrants – and, in fact, approximately 52 percent of LPRs eligible to naturalize are low-income (Passel 2007).

Given the economic gains that can be realized, we think there is an argument for decreasing the cost of naturalization, including facilitating the application process to reduce the need for assistance. But it can also lead one to wonder why more immigrants don't just make the civic and economic leap. Part of the issue is liquidity: for low-income LPRs, saving up is a challenge and other pressing family needs may take priority. A 2010 survey of Latino immigrants who had attended one of NALEO's Ya Es Hora! citizenship workshops reported that one quarter of attendees had borrowed money to cover the application fee while more than two fifths of those who had postponed their application reported cost as the reason for doing so (Ramirez and Medina 2010). Of those who postponed because costs were too high, 93 percent claimed they would be more likely to file an application if loans were available to assist with the application cost.

Thankfully, solutions to this liquidity issue are being forged. Part of the Citizenship Maryland effort, CASA de Maryland and Citi Community Development (part of Citigroup) have piloted a microloan program to help with naturalization fees that is

so successful that places like New York and San Francisco are looking to it and the National Council of La Raza is also considering how to support its replication. CASA began looking for solutions when – much like NALEO – immigrants they were working with were deterred from naturalization because they could not afford the fees, on top of other costs. With staff and funding from Citi, CASA worked with the Latino Economic Development Corporation and the Ethiopian Community Development Council Enterprise Development Group to grant loans. These loans are for the amount of the fee (plus biometrics); applicants pay a \$25 application fee – which is deposited back into the owners' new savings account upon repayment – and repay the loan at an interest rate of 8.5 to 9 percent. The idea is to enable citizenship as well as establish credit (through loan repayment) and get new Americans headed towards a surer financial future. To date, 100% of loans have been repaid and Citi Community Development recently won an E Pluribus Unum prize from the Migration Policy Institute (MPI) for its leadership in this effort (CASA de Maryland 2011; Citigroup, Inc. 2012).

Beyond the finances, Citizenship Maryland also offers help in navigating the naturalization process. Such assistance can also rack up costs – assistance fees, legal counsel fees, translation services – but the complexity of the process can be a barrier unto itself. In a report written by the Washington College of Law, CASA, and Tenants and Workers United, the authors noted that the complexity, lack of one-on-one assistance, and fear of US CIS scrutiny in the post-9/11 era deters many (Leighton et al. 2008). Part of this gap can be filled by non-profits, faith-based groups and community organizations that offer application assistance and some basic guidance at a very minimal cost.<sup>31</sup> But part of this gap also needs to be filled by the U.S. government – by simplifying the process and promoting citizenship.

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<sup>31</sup> Interviews with CASA de Maryland and Catholic Legal Immigration Network, Inc. (CLINIC) in September 2012, by Anthony Perez with the USC Center for the Study of Immigrant Integration.

Another key way to propel naturalization is addressing the English language gap.<sup>32</sup> An MPI report estimated that 55 percent of eligible LPRs were Limited English Proficient in 2005 (Sumption and Flamm 2012) and while Freeman et al. (2002) cite cost as an issue, as indicated above, they also suggest that English proficiency is a key obstacle to naturalization. In an analysis of the heavily immigrant state of California, MPI documented the ongoing undersupply of English language courses for those in need of improving their proficiency (McHugh, Fix, and Gelatt 2007).<sup>33</sup> The major issue here is a lack of funding as well as a lack of courses that are more easily accessible at a community level. While some federal monies are available and most states match those dollars at varying amounts, MPI suggests that there is a need to cultivate more resources.

Leadership matters as well. For example, in June of 2012, the U.S. Conference of Mayors adopted a resolution urging the Federal government to launch a “New Americans Initiative” using support from multiple agencies, such as the USCIS and the Department of Education, to actively promote naturalization (U.S. Conference of Mayors 2012). It cited as key strategies: reducing fees (suggesting that naturalization costs also be funded by government subsidies, not just fees), increasing funding for institutions helping with the citizenship process, and fully funding immigrant integration grants offered by the USCIS. Finally, it encourages cities across the nation to adopt such “New Americans Initiatives” as well. Leadership initiatives like these signal a welcoming attitude, elevate the importance of immigrants, and promote citizenship, and in doing so, dispel fears.

One important partner in all these efforts, the business sector, will benefit from the improved productivity, earnings and spending that seems to be associated with naturalization. There is already a range of efforts to promote English learning on the job – including the Sed de Saber program promoted by Marriott and English Under the Arches run by McDonald’s – and naturalization would seem to be a reasonable next step. For several years, Trifinity Manufacturing in Baltimore offered citizenship preparation classes and honored new citizen employees with a party.<sup>34</sup> In Los Angeles, the Chamber of Commerce has begun to experiment with both promoting the message that naturalization is beneficial to business and persuading businesses to make information and materials available to employees. As described above, banks could help by developing more micro-loan products that could help immigrants bridge their way to a higher earnings future. And the National Immigration Forum has developed The Bethlehem Project, an effort to persuade businesses nationwide to establish on-site ELL programs and offer assistance in the naturalization process.

In short, this is a set of efforts in which all sectors have a role. Immigrant-serving organizations certainly should be part of the mix: they can be trusted allies in persuading immigrants that their interests and those of their families will be better served by taking the naturalization plunge. But naturalization is too important and too economically beneficial to the nation to confine citizenship promotion efforts to just those groups – or even just the federal government whose titular responsibility this is. Businesses, labor unions, mayors, non-profit leaders, ethnic and mainstream media, and many, many others can spread the message and create the opportunities for Lawful Permanent Residents to make that all-important passage to a more tangible sort of permanence: the status of being a U.S. citizen.

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<sup>32</sup> In some cases, immigrants first need to become literate in their own language even before beginning a new language. Centro Latino for Literacy in Los Angeles offers such services.

<sup>33</sup> The California report is the first of its kind to do this analysis by county. Commissioned by the Zellerbach Family Foundation and Grantmakers Concerned with Immigrants and Refugees, the 2008 report entitled, “An Assessment of the English Language Instruction Need and Supply in California,” quantified the gap between English language supply and demand.

<sup>34</sup> These examples draw from *Creating a WorkPlace ELL Program*, available at <http://cliniclegal.org/category/resources-type/toolkits>. Trifinity has since relocated its operations to Waukegan, Illinois.

## Nurturing Naturalization

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We began this brief – which at this length is not really so brief – by noting that there are many reasons to encourage immigrants to obtain citizenship. The most profound, of course, is simply our commitment to democracy: those who have chosen to make their lives in this country should have a role in helping to determine the future for themselves and their children.

Yet another way they can influence that future – and the American future more broadly – is to enhance their contributions to economic as well as civic life. Naturalization offers a course for immigrants to do that, partly by signaling to employers the commitment to stay, partly by incentivizing their own investments in U.S.-specific human capital, and partly by facilitating a better match between companies and job seekers.

The impact on earnings can be significant: we estimate an 8 to 11 percent gain in individual earnings, phased in over time. And the positive results for the U.S. economy could be helpful: using the mid-point between lower–and upper–bound estimates of gains and setting a goal of shrinking the number of the eligible non-naturalized by half over five years, we estimate an earnings boost of nearly \$40 billion over the next decade, with secondary impacts likely to boost GDP even more.

Why does this “citizen gain” go unrealized? A key issue is liquidity on the part of immigrants themselves: even if they know that naturalizing will improve their economic prospects, pulling together the cash to pay all the direct and indirect costs involved in the process can still be a heavy lift. Fortunately, both business leaders and groups working for immigrant integration are beginning to implement new programs that can point the way to overcoming these financial and other obstacles and better promote naturalization. And the government can help by streamlining the process and considering whether reductions in application fees and other costs might lower burdens in meaningful ways.

Those who have witnessed a naturalization ceremony often comment that there are few things more inspiring than watching a group of new Americans swear their allegiance to this nation and its principles. To know that it also can pay off economically is a bonus – and it is one that we should not leave lying on the floor. Encouraging naturalization is not just the right thing to do; it is an economic imperative in a nation still working to emerge from the shadow of recession. With the children of immigrants now totaling nearly one quarter of our overall youth population, it’s an investment in their future and the future of America.

# Technical Appendix

This appendix offers the tables with our full regression results. As noted in the text, all signs are as expected and virtually all variables are statistically significant. Note further that the explanatory power of the regression, as indicated by the adjusted R-squared, is generally consistent with labor market research.

**Table A1: Estimated Returns to Naturalization, Full Model**

Variables	Regression Results			
	No Controls	Add human capital, personal & household controls	Add migration, geographic & labor market controls	Add industry & occupation controls
Citizen	0.412***	0.186***	0.112***	0.079***
High school diploma or equivalent		0.171***	0.124***	0.110***
Some college		0.314***	0.231***	0.132***
Bachelor's degree		0.704***	0.597***	0.352***
Master's degree		1.034***	0.899***	0.576***
Professional degree		1.183***	1.051***	0.644***
PhD		1.257***	1.126***	0.843***
Work experience		0.048***	0.047***	0.046***
Work experience squared		-0.001***	-0.001***	-0.001***
Female		-0.378***	-0.375***	-0.323***
Black		-0.031***	-0.067***	-0.069***
Latino		-0.134***	-0.051***	-0.031***
Asian/Pacific Islander		0.001	-0.014	-0.045***
Other, non-white		-0.035**	-0.067***	-0.058***
Married		0.038***	0.070***	0.051***
U.S.-born spouse		0.116***	0.052***	0.041***
Naturalized-immigrant spouse		0.030***	0.014**	0.002
Children		0.068***	0.072***	0.059***
Speak English "very well" or only			0.171***	0.105***
Area unemployment rate			-0.022***	-0.018***
Constant	9.878***	9.209***	9.621***	9.604***
Country of origin dummies?	No	No	Yes	Yes
Recency of arrival dummies?	No	No	Yes	Yes
State dummies?	No	No	Yes	Yes
Industry and occupation dummies?	No	No	No	Yes
Observations	183,474	183,474	183,474	183,474
Adjusted R-squared	0.043	0.250	0.269	0.336

Source: Center for the Study of Immigrant Integration (CSII) analysis of IPUMS 2010 American Community Survey (ACS).

Notes: (i) Dependent variable is the natural log of earned income during year before the survey was administered. (ii) "\*\*\*\*" = significance at the .01 level; "\*\*\*" = significance at the .05 level; "\*\*" = significance at the .10 level. (iii) Sample includes immigrants who: arrived in the U.S. in 2004 or earlier (so as to restrict to those likely to be eligible to naturalize); were age 18 or older at the time of the survey; worked during the year prior to the survey and had earned income between \$400 and \$292,000; were not living in group quarters at the time of the survey. (iv) All explanatory variables are dummy variables, with the exception of work experience and its square (figured in years) and the area unemployment rate (figured such that 10 = 10 percent unemployment). (v) For the race/ethnicity dummy variables, Latino includes all persons identifying as being of Hispanic or Latino ethnicity, leaving the other variables "non-Hispanic."

**Table A2: Estimated Returns to Naturalization, Full Model, Males Only**

Regression Results				
Variables	No Controls	Add human capital, personal & household controls	Add migration, geographic & labor market controls	Add industry & occupation controls
Citizen	0.430***	0.149***	0.091***	0.066***
High school diploma or equivalent		0.153***	0.116***	0.103***
Some college		0.262***	0.196***	0.121***
Bachelor's degree		0.659***	0.566***	0.334***
Master's degree		1.011***	0.873***	0.541***
Professional degree		1.082***	0.963***	0.602***
PhD		1.193***	1.072***	0.796***
Work experience		0.047***	0.047***	0.045***
Work experience squared		-0.001***	-0.001***	-0.001***
Black		-0.176***	-0.201***	-0.167***
Latino		-0.162***	-0.085***	-0.061***
Asian/Pacific Islander		-0.076***	-0.085***	-0.104***
Other, non-white		-0.115***	-0.143***	-0.126***
Married		0.099***	0.124***	0.103***
U.S.-born spouse		0.156***	0.095***	0.079***
Naturalized-immigrant spouse		0.059***	0.044***	0.031***
Children		0.109***	0.111***	0.097***
Speak English "very well" or only			0.158***	0.100***
Area unemployment rate			-0.024***	-0.018***
Constant	10.020***	9.246***	9.652***	9.527***
Country of origin dummies?	No	No	Yes	Yes
Recency of arrival dummies?	No	No	Yes	Yes
State dummies?	No	No	Yes	Yes
Industry and occupation dummies?	No	No	No	Yes
Observations	100,059	100,059	100,059	100,059
Adjusted R-squared	0.051	0.257	0.276	0.333

Source: Center for the Study of Immigrant Integration (CSII) analysis of IPUMS 2010 American Community Survey (ACS).

Notes: (i) Dependent variable is the natural log of earned income during year before the survey was administered. (ii) "\*\*\*\*" = significance at the .01 level; "\*\*\*" = significance at the .05 level; "\*\*" = significance at the .10 level. (iii) Sample includes male immigrants who: arrived in the U.S. in 2004 or earlier (so as to restrict to those likely to be eligible to naturalize); were age 18 or older at the time of the survey; worked during the year prior to the survey and had earned income between \$400 and \$292,000; were not living in group quarters at the time of the survey. (iv) All explanatory variables are dummy variables, with the exception of work experience and its square (figured in years) and the area unemployment rate (figured such that 10 = 10 percent unemployment). (v) For the race/ethnicity dummy variables, Latino includes all persons identifying as being of Hispanic or Latino ethnicity, leaving the other variables "non-Hispanic."



**Table A3: Estimated Returns to Naturalization, Full Model, Females Only**

Regression Results				
Variables	No Controls	Add human capital, personal & household controls	Add migration, geographic & labor market controls	Add industry & occupation controls
Citizen	0.474***	0.223***	0.132***	0.089***
High school diploma or equivalent		0.209***	0.147***	0.121***
Some college		0.388***	0.283***	0.148***
Bachelor's degree		0.768***	0.639***	0.369***
Master's degree		1.078***	0.930***	0.604***
Professional degree		1.316***	1.165***	0.721***
PhD		1.367***	1.220***	0.903***
Work experience		0.050***	0.048***	0.047***
Work experience squared		-0.001***	-0.001***	-0.001***
Black		0.116***	0.082***	0.046***
Latino		-0.104***	-0.004	0.011
Asian/Pacific Islander		0.090***	0.072***	0.023*
Other, non-white		0.057**	0.025	0.022
Married		-0.039***	0.002	-0.013
U.S.-born spouse		0.076***	0.006	-0.006
Naturalized-immigrant spouse		0.025**	0.013	-0.005
Children		-0.006	0.002	-0.007
Speak English "very well" or only			0.183***	0.102***
Area unemployment rate			-0.020***	-0.016***
Constant	9.651***	8.785***	9.210***	9.313***
Country of origin dummies?	No	No	Yes	Yes
Recency of arrival dummies?	No	No	Yes	Yes
State dummies?	No	No	Yes	Yes
Industry and occupation dummies?	No	No	No	Yes
Observations	83,415	83,415	83,415	83,415
Adjusted R-squared	0.052	0.220	0.242	0.325

Source: Center for the Study of Immigrant Integration (CSII) analysis of IPUMS 2010 American Community Survey (ACS).

Notes: (i) Dependent variable is the natural log of earned income during year before the survey was administered. (ii) "\*\*\*\*" = significance at the .01 level; "\*\*\*" = significance at the .05 level; "\*\*" = significance at the .10 level. (iii) Sample includes female immigrants who: arrived in the U.S. in 2004 or earlier (so as to restrict to those likely to be eligible to naturalize); were age 18 or older at the time of the survey; worked during the year prior to the survey and had earned income between \$400 and \$292,000; were not living in group quarters at the time of the survey. (iv) All explanatory variables are dummy variables, with the exception of work experience and its square (figured in years) and the area unemployment rate (figured such that 10 = 10 percent unemployment). (v) For the race/ethnicity dummy variables, Latino includes all persons identifying as being of Hispanic or Latino ethnicity, leaving the other variables "non-Hispanic."

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2017-2018 IMPACT REPORT



# Statement from Executive Committee of Cities for Citizenship

## ABOUT THE CONTRIBUTORS



**Cities for Citizenship** is a major national initiative aimed at increasing citizenship among eligible US permanent residents and encouraging cities across the country to invest in citizenship programs. It is chaired by New York City Mayor Bill de Blasio, Chicago Mayor Rahm Emanuel, and Los Angeles Mayor Eric Garcetti, with support from the Center for Popular Democracy and the National Partnership for New Americans. Citi Community Development is the Founding Corporate Partner. To learn more, visit [CitiesforCitizenship.com](http://CitiesforCitizenship.com)



**The Center for Popular Democracy** promotes equity, opportunity, and a dynamic democracy in partnership with base-building organizations, organizing networks and alliances, and progressive unions across the country. CPD builds the strength and capacity of democratic organizations to envision and advance a pro-worker, pro-immigrant, racial and economic justice agenda. To learn more, visit [populardemocracy.org](http://populardemocracy.org)



**The National Partnership for New Americans** harnesses the collective power and resources of the country's 37 largest regional immigrant rights organizations in 31 states. Our aim is to achieve a vibrant, just, and welcoming democracy for all. Immigrants are the soul of our organization, and immigrant communities inspire, implement, and champion our work. NPNA sponsors the annual National Immigrant Integration Conference and in the past two years NPNA partners have assisted over 50,000 immigrants to pursue legal status and become US citizens. To learn more, visit [partnershipfornewamericans.org](http://partnershipfornewamericans.org)



**About Citi Community Development** Citi Community Development leads Citi's commitment to financial inclusion and economic empowerment for underserved individuals, families and communities across the U.S. Through innovative collaborations with municipalities, community groups and leading nonprofit organizations, we harness Citi's expertise, products and services to help expand opportunity for all.

Additional information may be found at <http://citicommunitydevelopment.com> | Twitter: @Citi YouTube: [www.youtube.com/citi](http://www.youtube.com/citi) | Blog: <http://blog.citi.com> | Facebook: [www.facebook.com/citi](http://www.facebook.com/citi) LinkedIn: [www.linkedin.com/company/citi](http://www.linkedin.com/company/citi)

### Cover Photo

Alabastro Photography | On June 15, the Office of Immigrant and Refugee Affairs New Citizen Program welcomed 19 new Americans at a Flag Day Naturalization Ceremony at Seattle City Hall. Additional highlights included fifth graders reading their winning essays on the topic "Why I'm Glad America is a Nation of Immigrants." The students participated in the annual Celebrate America Creative Writing Contest

As the founding cities of Cities for Citizenship (C4C); a network of nearly 70 cities and counties, we believe and have seen the many benefits of supporting immigrant and refugee communities on their pathway to U.S. Citizenship.

Our nation has always been a home to people seeking freedom, opportunity, and refuge from persecution. New citizens pursue their American Dreams; help build our nation; and contribute to our communities through their hard work. When Legal Permanent Residents naturalize they make an affirmative decision to study English, U.S. history and government, while swearing allegiance to our Constitution. Naturalized citizens have the opportunity to earn higher income, generate more taxes, connect with their neighbors more easily, and assume their full rights and responsibilities in this country. These individuals are proudly saying "America is Home" through these actions.

We thank our C4C national partners, the National Partnership for New Americans, Center for Popular Democracy, and Citi Community Development for this important report that lifts up how we all benefit when we invest in naturalization and support Legal Permanent Residents in their pathway to U.S. Citizenship.

We are excited at the continued growth of the C4C network and thank all of the C4C cities and counties for their commitment to new Americans.



Bill de Blasio, New York City Mayor



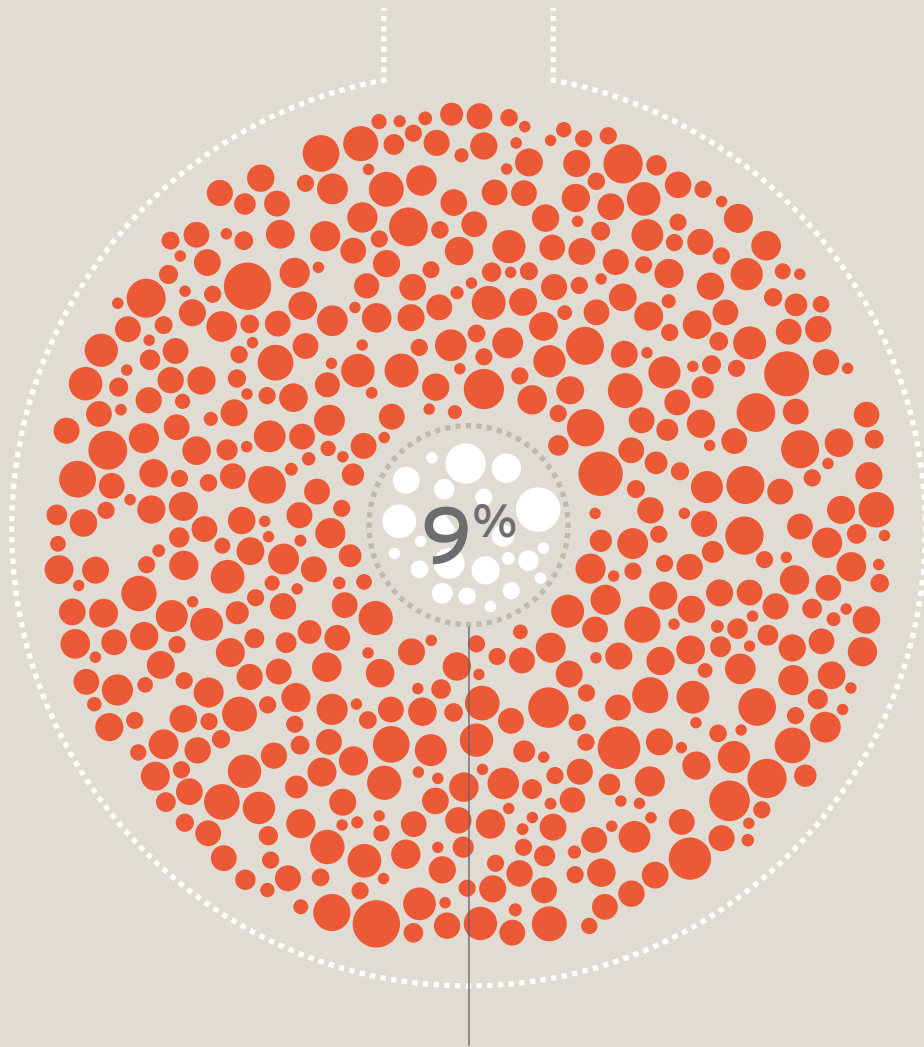
Rahm Emanuel, Chicago Mayor



Eric Garcetti, Los Angeles Mayor



Gross Domestic Product could Increase  
**\$37-52 BILLION**



Citizens who currently naturalize each year

By some estimates, if 1.5 million people naturalized every year for the next 5 years, the Gross Domestic Product (GDP) would increase somewhere between \$37 billion and \$52 billion over a 10 year period following this increase in naturalization

## Executive Summary

Cities for Citizenship (C4C) is a major national initiative aimed at increasing citizenship among eligible U.S. Lawful Permanent Residents and encouraging cities across the country to invest in citizenship programs. It is chaired by New York City Mayor Bill de Blasio, Chicago Mayor Rahm Emanuel, and Los Angeles Mayor Eric Garcetti, with support from the Center for Popular Democracy and the National Partnership for New Americans. Citi Community Development is the Founding Corporate Partner. C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all of their constituents. In addition to a host of civic benefits—including the ability to vote in elections, serve on a jury, and run for elected office—the process of naturalizing brings significant economic benefits to individuals and local communities.

When someone becomes a U.S. citizen, she is more likely to secure employment. The employment rate not only rises by 2.2 percentage points for naturalized citizens, but naturalized citizens are newly eligible for jobs in sectors like public administration.<sup>1</sup> Naturalized citizens also access higher paying jobs, earning 8-11 percent more than individuals who are eligible to naturalize but haven't yet done so.<sup>2</sup> In fact, if every working age person who is eligible to naturalize became a U.S. citizen, by some estimates, this would result in \$9 billion in total additional income at their current jobs.<sup>3</sup> Census data shows that naturalized citizens are almost twice as likely as non-citizens to be homeowners (they own homes at rates of 66 percent and 34 percent respectively).<sup>4</sup> In addition to a host of benefits for individuals, naturalization can have important macroeconomic benefits for local communities. These include a growth in spending power, higher GDP, and increased tax revenues, all of which can boost local economies. Finally, investing in naturalization can advance financial inclusion for immigrant families. Immigrants are 13 percentage points less likely to have bank accounts, compared to U.S. born individuals. This is due to a host of barriers ranging from low or unstable incomes, a lack of a credit rating, and high fees and hurdles to opening accounts.<sup>5</sup> As a result of these barriers, many immigrant communities rely more heavily on alternative financial services which are often costly and predatory. Lawful Permanent Residents who become U.S. citizens are much more likely to access formal banking services which can have important economic benefits for families. Recognizing these benefits, the more than 65 participating cities and counties in C4C are working to increase citizenship among eligible U.S. Lawful Permanent Residents; these local efforts are highlighted throughout the report.

# Introduction

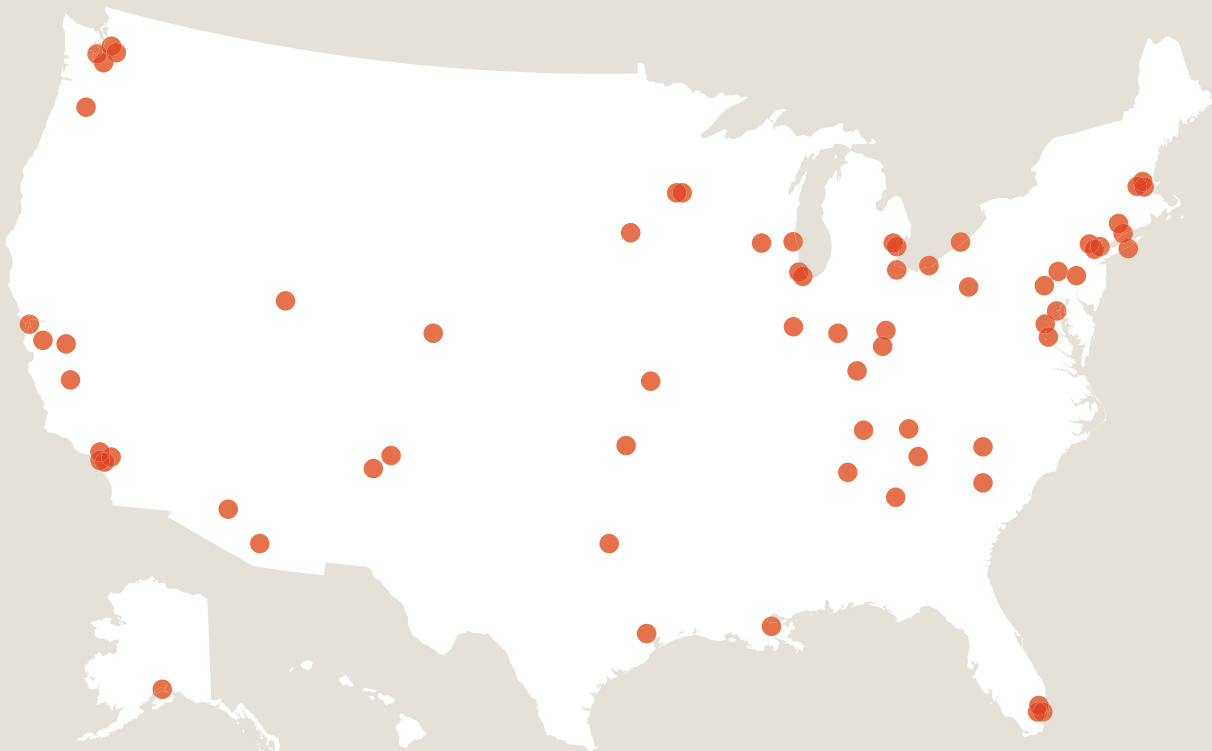
Cities for Citizenship (C4C) is a major national initiative of more than 68 participating cities and counties aimed at increasing citizenship among eligible U.S. permanent residents and encouraging investment in citizenship and financial empowerment programs. There are currently 8.8 million lawful permanent residents (LPRs) who are eligible to naturalize across the United States.<sup>6</sup> Yet, each year fewer than nine percent of those who are eligible to naturalize take the important step of applying for citizenship due to a variety of barriers. As a result, the U.S. economy misses out on billions of dollars in potential individual earnings and tax revenues.<sup>7</sup>

C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all of their constituents. Cities and counties play an integral role in promoting naturalization, removing the barriers that prevent LPRs from completing the citizenship process and, ultimately, fostering a more inclusive, robust and representative democracy and stronger economy.

Since C4C’s inception in 2014, C4C cities and counties have been at the forefront of this effort, helping to lead the way in creating scalable naturalization programs and policies that can be replicated across the country. C4C Mayors’ offices have launched city-wide communications campaigns promoting naturalization, hosted oath ceremonies, allocated funding for naturalization services, collaborated with local credit unions to reduce the application fee, provided financial counseling and empowerment services, and have passed local resolutions supporting naturalization.

Now, more than ever, cities and counties recognize the need to support and welcome the many benefits that immigrant communities bring to their jurisdiction. Over the past year, Cities for Citizenship has grown by over 55 percent and now includes nearly 70 cities and counties across 30 states.

As of August 2018, the C4C Initiative spans across 68 participating cities and counties:



Albuquerque, NM	Denver, CO	Madison, WI	Redmond, WA
Anaheim, CA	Detroit, MI	Miami, FL	Saint Paul, MN
Anchorage, AK	Hamtramck, MI	Miami-Dade County, FL	Salt Lake County, UT
Atlanta, GA	Hartford, CT	Milwaukee, WI	Sante Fe, NM
Baltimore, MD	High Point, NC	Minneapolis, MN	San Francisco, CA
Boston, MA	Houston, TX	Montgomery County	San Jose, CA
Cambridge, MA	Huron, CA	Nashville, TN	Skokie, IL
Champaign, IL	Indianapolis, IN	New Haven, CT	Somerville, MA
Charlotte, NC	Jersey City, NJ	New Orleans, LA	Seattle, WA
Chattanooga, TN	Kansas City, KS	New York, NY	South Gate, CA
Cincinnati, OH	Kitsap County, WA	North Miami, FL	Suffolk County, NY
Chicago, IL	Knoxville, TN	Peterson, NJ	Tacoma, WA
Cleveland, OH	Livingston, CA	Philadelphia, PA	Tucson, AZ
Columbia, SC	Long Beach, CA	Phoenix, AZ	Tulsa, OK
Dallas, TX	Los Angeles, CA	Pittsburgh, PA	Washington, DC
Dayton, OH	Louisville, KY	Portland, OR	Worthington, MN
Erie, PA	Lucas County, OH	Reading, PA	York, PA

In 2017, C4C network made an impressive impact through naturalization outreach, application assistance, and financial empowerment services that were integrated with naturalization efforts. **The 2017 C4C Annual Partner Survey demonstrates the national scale of these activities:**

712,720

Lawful Permanent Residents were reached through naturalization outreach and communication campaigns that were lead by C4C cities and counties

11,450

Lawful Permanent Residents were assisted with their citizenship application via naturalization workshops lead by C4C cities and counties

14,000

Lawful Permanent Residents were assisted with financial empowerment services lead by C4C cities and counties



Mayor Eric Garcetti of Los Angeles announcing the C4C “America is Home” Initiative at the U.S. Conference of Mayors in Boston, June 2018

Additionally, in June of 2018, C4C launched the “America is Home” initiative, which is a bipartisan, \$5 million challenge grant to promote naturalization in new and emerging areas across the U.S. The C4C America is Home initiative is a four-year program that will award two-year challenge grants of \$25,000 or \$40,000 a year to partnerships between community-based organizations and municipal offices. The launch of the initiative was included in remarks made by Los Angeles Mayor Eric Garcetti during a press conference in Boston on the first day of the annual meeting of the U.S. Conference of Mayors. Over 60 organizations and municipalities across 33 states applied for the grant and 14 community-based organizations have been selected as grantees in the following cities and counties:

C4C America is Home Grantee Organizations & Cities 2018

- El Centro de Igualdad y Derechos** Albuquerque, New Mexico
- Hispanic Interest Coalition of Alabama (HICA)** Birmingham, Alabama
- Catholic Charities of Idaho** Boise, Idaho
- Colorado Immigrant and Refugee Rights Coalition (CIRC)** Denver, Colorado
- Immigrant Welcome Center** Indianapolis, Indiana
- Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA)** Lawrence, Lowell & Worcester, Massachusetts
- Kentucky Refugee Ministries, Inc** Louisville, Kentucky
- Voces de la Frontera** Milwaukee, Wisconsin
- Tennessee Immigrant and Refugee Rights Coalition (TIRRC)** Nashville, Tennessee
- Vietnamese Young Leaders Association of New Orleans (VAYLA)** New Orleans, Louisiana
- Comunidades Unidas** Salt Lake County, Utah
- Somos Un Pueblo Unido** Santa Fe, New Mexico
- YWCA Tulsa** Tulsa, Oklahoma
- CASA** York, Pennsylvania



# The Benefits of Naturalization

Every year, around 700,000 immigrants complete the naturalization process to become U.S. citizens.<sup>8</sup> Cities for Citizenship recognizes the important benefits of naturalization. Becoming a citizen can result in well-documented benefits for families as well as local communities. In addition to a host of civic benefits—including the ability vote in elections, serve on a jury, and run for elected office—the process of naturalizing brings significant economic benefits.

## The Economic Impact of Naturalization

### Rising Incomes

Numerous studies have shown that the incomes of immigrants rise significantly after naturalizing. The earnings gap between naturalized immigrants and non-citizen immigrants is present, even when controlling for differences in education, regional labor markets, and language ability. Research by Dr. Manuel Pastor at the University of Southern California revealed that naturalized citizens earn 8-11 percent more than individuals who are eligible to naturalize but have not yet done so.<sup>9</sup> This positive income effect, or earnings premium, is seen relatively quickly after someone has naturalized. For instance, among those who naturalized one to two years ago, their incomes rose by 5.6 percent-7.2 percent. That represents approximately \$2,200 in average additional earnings for someone in a year.<sup>10</sup> It appears that the positive effects build over time for people who become U.S. citizens. Among individuals who naturalized 12-17 years ago, there was an even larger earnings increase of between 10.1 percent and 13.5 percent.<sup>11</sup> This earnings premium contributes to the financial well-being of families and can enable asset building over time.

These potential earnings increases are not only significant for individuals and families but can also have a large scale macroeconomic impact. If every working age person who is eligible to naturalize became a U.S. citizen, by some estimates, this would result in \$9 billion in total additional income at their current jobs.<sup>12</sup> Factoring in the additional income that naturalized citizens could receive after advancing to new industries and occupations, this earnings boost could rise to nearly \$13 billion.<sup>13</sup>

### Expanded Job Opportunities

When someone becomes a U.S. citizen, they are more likely to secure employment and access higher paying jobs. Prior Urban Institute research has shown that with naturalization, the employment rate rises by 2.2 percentage points.<sup>14</sup> Many lawful permanent residents who have green cards are not eligible for public sector or government jobs. Naturalized citizens can access a broader range of higher paying jobs. Naturalization significantly broadens the pool of community members who can become public-sector employees or government contractors. Data on employment in specific sectors of the economy has shown that immigrants are much more likely to work in public administration after they naturalize.<sup>15</sup> This represents an important opportunity for



economic advancement given public sector jobs are higher paying and offer more stability and better benefits than many jobs.<sup>16</sup> In addition to public administration roles, naturalized immigrants are more likely to start working in the finance, insurance, real estate, education, health and social services, transportation, warehousing, and information industries than their non-naturalized counterparts.<sup>17</sup>



**Case Study: New York City, Naturalization + Financial Empowerment**

As part of its continuous commitment to support the promotion of citizenship, the Administration of Mayor Bill de Blasio has supported the creation and implementation of NYCitizenship, a public-private partnership providing free, trusted legal assistance with citizenship applications and financial counseling. Services are offered across all boroughs of New York City through the city’s three public library systems and in partnership with the New York City Department of Social Services/Human Resources Administration (DSS/HRA). Through NYCitizenship, immigrant New Yorkers receive free citizenship application assistance, including screenings and full representation, as well as financial empowerment services.

Successful connections to financial empowerment services has depended on ensuring access to relevant materials, as well as co-location of the legal and financial counseling teams. In partnership with the Design for Social Innovation and Sustainability (DESIS) Lab at the Parsons School of Design and Citi Community Development, NYCitizenship created tools to facilitate the integration of financial empowerment and citizenship services. The resulting Your Citizenship Journey video and workbook have been used by the NYCitizenship team at information sessions to provide prospective NYCitizenship clients a clear roadmap of the citizenship application process and the points at which financial counseling would be of benefit to citizenship applicants. These materials also provide simple worksheets to assist clients in organizing their documents for their upcoming citizenship and financial counseling appointments. **All content has been translated in the top 10 languages spoken in the city in accordance with New York City’s Local Law 30, keeping with the City’s commitment to ensuring that all New Yorkers who are not English proficient have access to necessary city service.** During the service design process, the designers also determined that individuals are more likely to access financial empowerment services if they meet with the financial counselor before or after their session with the legal team. Presently, the legal and financial counseling teams are co-located where possible to facilitate a seamless flow between the two components of the program. The connection between obtaining U.S. citizenship and financial empowerment creates a direct link to a thriving immigrant population, which in turn empowers New York City.



**Higher Rates of Home Ownership**

Naturalized citizens are much more likely to be homeowners compared to non-citizens. Census data shows that naturalized citizens are almost twice as likely as non-citizens to be homeowners (they own homes at rates of 66 percent and 34 percent respectively).<sup>18</sup> Naturalized U.S. citizen households are also more likely than non-citizen households to have paid off their home mortgage.<sup>19</sup> Some have theorized that higher rates of homeownership result from higher post-naturalization wages which increase the ability to afford a down payment and mortgage. Critically, owning a home is a key way for families to build assets. For U.S. citizen homeowners, on average, half of household wealth is contained in home equity.<sup>20</sup> Homeownership is just as important a means to build wealth for naturalized citizens.

Owning a home not only brings important benefits to individuals and their families; higher homeownership rates also enable local communities to grow. Many cities across the United States from the Midwest to the Northeast, have faced sustained economic challenges in recent years. During the 2010 foreclosure crisis, cities like Detroit, Cleveland, and Baltimore saw high foreclosure rates and growing rates of distressed housing. This brought significant challenges to local communities that persist a decade since the financial crash. Today, many cities’ housing markets continue to struggle, a challenge especially for local governments which rely on property tax revenue to provide essential public services. When cities support naturalization and financial inclusion, they can strengthen local housing markets and, in turn, strengthen the tax base.

**Image (Left)**  
Alabastro Photography | Immigrant and refugee members of the spring 2016 graduating class of Ready to Work present their class projects and celebrate the completion of their program. This is the second class ever to graduate from this innovative program, which combines an English language curriculum and job training classes with culturally relevant case management.

**Image (Right)**  
Photograph by Carolina Kroon

### C4C Partner Case Study: The Resurrection Project, Chicago, IL

The Resurrection Project (TRP), a community-based organization in Chicago, has a Financial Wellness department which works to promote the financial wellness of communities by offering workshops and one-on-one financial counseling services. This department works together with TRP's immigration legal services department to provide financial literacy and homeownership information to immigrants, including eligible Lawful Permanent Residents and naturalized citizens. The Financial Wellness department provides three core services:

**Financial Empowerment Programs** Financial counselors and professionals provide free bilingual (English & Spanish) workshops on topics such as improving credit, managing money and assets, creating a budget, decreasing debt, and more to financially empower families. One-on-one counseling is also available.

**Home Purchase** Healthy communities need homeowners who are ready to invest in their neighborhood. TRP's Home Purchase Program helps people achieve the dream of homeownership by following a careful action plan that begins with financial stability, continues through the mortgage application process, and ends with the purchase of a home.

**Foreclosure Prevention Counseling** With the recent foreclosure crisis affecting thousands in the Chicago area, TRP now provides free foreclosure prevention counseling to help struggling homeowners understand their rights and options.

## Supporting Immigrant Communities Boosts Local Economies



Immigrant communities around the country enable cities to thrive. From starting new businesses, spending on local goods and services, and contributing to tax revenue, immigrant communities help drive local growth.<sup>21</sup> Immigrants are especially vital to small business growth and entrepreneurship. Immigrants are nearly twice as likely to start a business as U.S. born individuals.<sup>22</sup> Nearly one in

five small businesses is owned by an immigrant.<sup>23</sup> As a result, immigrant business owners are important job creators for local communities. In fact, immigrant-owned businesses employ one out of ten workers in the United States.<sup>24</sup> These businesses earn sizable revenue that, in turn, fuels the economy. Nationally, immigrant-owned small businesses earn \$776 billion in receipts each year.<sup>25</sup> Although immigrants who are Lawful Permanent Residents can start businesses—and already do so at high rates—naturalizing can facilitate the business start-up process.<sup>26</sup> It may become easier to obtain insurance and secure necessary identification. In addition, naturalization may increase an entrepreneur's access to start-up capital and business loans.

Immigrant-owned businesses are particularly important for bolstering downtowns and commercial corridors. Immigrants are much more likely to open “Main Street” businesses like restaurants, stores, and beauty salons.<sup>27</sup> In fact, while immigrants are 18 percent of all business owners, immigrants account for 28 percent of Main Street business owners nationally.<sup>28</sup> The impact of immigrant business owners on Main Street corridors is even more pronounced in some cities. For instance, in the Los Angeles metropolitan area immigrants make up 64 percent of all Main Street business owners. In San Jose, immigrants are 61 percent of Main Street business owners, while immigrants comprise 56 percent of such business owners in Washington, D.C., and 54 percent in Miami.<sup>29</sup>

### Case Study: Meet Melchor, a San Jose Naturalized Citizen & Small Business Owner

Melchor Landin, one of 6 siblings born in Mexico City, first came to San Jose, CA in 1987. At that time, he and his younger brother reunited with their father, who had been coming back and forth to the United States as a part of the Bracero Program since the 1960s. Like his whole family, Melchor was already an experienced baker, and he came to work at a small bakery in the downtown San Jose area. After that bakery moved to the Los Banos area, he started working in the Safeway bakery section, where he continued working for 15 years. In that time, he got his citizenship in 1997. He then helped his father, mother, and four brothers open a new taqueria in Mountain View in 1998. But as the whole family knew how to bake, their dream was to open five bakeries, one per brother. So in 2000, they opened their first Mexico Bakery on the east side of San Jose. Two years later, they sold their taqueria in Mountain View in order to focus on the bakery business. That focus paid off with their second bakery opening in downtown in 2003 and their third location in 2013. The family remains active in the management, baking, cooking, and management of their three bakery locations to this day, with working hours from 4 AM to 11 PM, seven days a week. Starting with a profit of no more than \$60,000 a year and barely supporting the seven family members involved in running that first bakery, they now employ more than 80 employees from a variety of backgrounds. They also generously provide free food and drinks for community meetings, supporting the community that has helped make their business such a success. They hope their community will continue to support them as they open two additional locations in the near future, realizing the dream that they have harbored for so long.



Melchor (far right) with his father, mother and sister



Melchor's Family Bakery in San Jose, CA



# Naturalization Has Important Macroeconomic Benefits

## Growth in Spending Power

As the incomes of naturalized immigrants increase, this boosts already sizable immigrant spending power.<sup>30</sup> When community members earn more they spend more, fueling local economies and creating higher demand for goods and services.

## Higher GDP

By some estimates, if 1.5 million people naturalized every year for the next 5 years, the Gross Domestic Product (GDP) would increase somewhere between \$37 billion and \$52 billion over a 10 year period following this increase in naturalization.<sup>31</sup>

## Increased Tax Revenue

As naturalized citizens earn higher wages and spend more on goods and services, cities can earn more revenue through sales taxes. As naturalized citizens own homes at higher rates, cities can earn more revenue in property taxes. Based on one study of 21 U.S. cities, if every person eligible to naturalize in each city became a U.S. citizen, city tax revenues would increase by an estimated 1-2 percent.<sup>32</sup> With higher tax revenues and larger city budgets, local officials would be able to invest more in services enabling their communities to thrive.

These benefits can be especially important for cities and towns facing dwindling populations and persistent economic hardship. In the Rust Belt, for instance, immigrants have been shown to offset longstanding population decline and boost local economies.<sup>33</sup> According to a recent Pew Research Center study, immigrants are a rising share of the community in urban, suburban, and rural areas. While foreign-born residents settle in urban counties in higher concentrations, immigrants are also a growing share of suburban and rural areas.<sup>34</sup>

### C4C Partner Case Study: Salt Lake County, United for Citizenship

Stemming from its belief in the transformative power of naturalization, Salt Lake City County created United for Citizenship, a regional initiative supporting Lawful Permanent Residents to become U.S. citizens. The initiative provides the infrastructure for stakeholders to work collectively to increase awareness, expand resources, and activate untapped community assets to leverage towards increased naturalization. United for Citizenship works in partnership with the Salt Lake Chamber of Commerce, which was influential in securing a first-ever, one-time state legislative appropriation of \$100,000 to encourage and accelerate public and private investment in naturalization. The appropriation, passed in March of 2018, will fund the creation of evidence-based naturalization programs that meet the needs of four counties in Utah, along with local evaluation and assessment.

**Image (Right)**  
Alan Alabastro Photography | The Seattle Office of Immigrant and Refugee Affairs (OIRA) partnered with dozens of community-based organizations and multiple City departments to organize the Seattle United for Immigrants and Refugees Mega-Workshop that offered free assistance to 1,026 immigrants who needed help applying for U.S. citizenship.



# Investing in Naturalization Advances Financial Inclusion for Immigrant Families

Immigrants are 13 percentage points less likely to have bank accounts, compared to U.S. born individuals.<sup>35</sup> Studies have shown that barriers to access of financial services include a host of factors, such as: low or unstable income, minimum balance requirements, a lack of a credit rating, credit requirements, and fees required to open accounts. While these deter both immigrants and U.S.-born families with low-incomes, immigrants face additional barriers. Immigrant communities can be uniquely impacted by language barriers, legal immigration status, ID or documentation requirements, and a lack of understanding or trust in the U.S. banking system.<sup>36</sup>

As a result of these barriers, many immigrant communities rely more heavily on check cashing and money transfer services, rather than formal financial services and banks. These alternative financial services are often used to deposit paychecks and send remittances to family members in other countries. Unfortunately, these types of alternative financial services are more likely to be costly and predatory for the consumer.<sup>37</sup> The Brookings Institute has found that a full-time worker could save up to \$40,000 during his or her career if they use a lower-cost checking account rather than check-cashing.<sup>38</sup> Predatory lending tends to involve unaffordable loans for the borrower, high fees and interest rates, and deceptive tactics that hide the terms of the loan or financial product.<sup>39</sup> This can impose significant financial burdens on families who are unable to repay the loan and often fall deeper into debt. Nationally, low to moderate-income households pay more than \$8 billion in fees to these non-bank alternative financial services every year.<sup>40</sup>

Naturalization can help advance financial inclusion among immigrant communities. Lawful Permanent Residents who become U.S. citizens are much more likely to access formal banking services. In fact, according to Federal Deposit Insurance Corporation data, naturalized citizens are 22 percent more likely to be fully banked than their non-citizen counterparts.<sup>41</sup> Naturalized citizens are four times less likely to be unbanked than people who are non-citizens.<sup>42</sup> This suggests that citizenship can be a path to financial inclusion which can bring numerous benefits to households. Access to financial services can enable individuals to save, pay for goods and services using a debit card, and withdraw funds throughout the month.<sup>43</sup> When households have savings accounts at affordable, low or no fee providers, it can also enable families to cover unexpected expenses without the use of high-interest loans.<sup>44</sup> Being connected with financial services can also lower barriers and costs to loans for education, homes, and small businesses. Access to financial services also provides physical safety for individuals who may, as a result, no longer need to carry and store large sums of cash. Finally, being connected to formal financial institutions can enable individuals to build or improve credit scores over time.

## C4C Programs Support Financial Inclusion

Recognizing that financial empowerment and access to credit are essential for families' economic well-being, many C4C participating cities and counties have financial empowerment programs integrated into their naturalization efforts. These include financial education workshops, one-on-one financial counseling, and access to safe and affordable financial products. Individuals who are going through the naturalization process receive useful advice on how to become banked, developing short and long-term savings, reducing debt, managing budgets, and building or improving credit scores. Many C4C cities and counties have developed partnerships with local credit unions who can issue credit to un- or under-banked immigrants. This enables Lawful Permanent Residents and naturalized citizens to open accounts and access safe and affordable financial services. In particular, many credit unions may offer small loans that allow individuals to cover the citizenship application fee (which is cost-prohibitive to many) and build credit. These small loans are often coupled with financial counseling at the credit union and opportunities to access additional financial services which, in turn, promotes financial inclusion.

### Case Study: National Federation of Community Development Credit Unions: Building Inclusive Financial Institutions & Providing Citizenship Loans

The National Federation of Community Development Credit Unions (Federation) has led numerous initiatives to reach and serve immigrant communities. The Federation has collaborated with C4C cities and counties to reduce the financial barriers to naturalization through partnerships with Juntos Avanzamos designated credit unions. Juntos Avanzamos is a national network of credit unions with a commitment to serving and empowering Latino consumers as demonstrated by their suite of products and services, staff and leadership, and cultural competency. There are currently 84 credit unions that participate in the program. They operate in 23 states as well as Puerto Rico and the District of Columbia.<sup>45</sup>

The Federation's work has connected individuals going through the naturalization process with trusted community-based credit unions committed to financial inclusion that can help Latinos in general and immigrants in particular achieve their asset building goals.



#### Antonio's Story

"With the assistance of Lower Valley Credit Union's Citizenship Loan Program, Antonio recently officially became a U.S. citizen! His daughter explained that he was so excited and dedicated to becoming a U.S. citizen that every time she saw him, he had his book studying for the Citizenship Test! Antonio, a longtime member of LVCU, was able to finance the application and legal fees pertaining to naturalization through LVCU's Citizenship Loan Program."

## Conclusion

Becoming a U.S. citizen can result in well-documented benefits for families as well as local communities. This report highlights the important economic benefits of naturalizing including higher incomes, improved job access, higher rates of home ownership, and improved financial inclusion and empowerment. Investing in naturalization can boost local economies and enable communities to thrive. Recognizing these benefits, the more than 65 participating cities and counties in C4C are working to increase citizenship among eligible U.S. Lawful Permanent Residents and encourage investment in citizenship and financial empowerment programs.

C4C is premised on the idea that when municipal leaders develop and invest in naturalization efforts, it produces substantial economic and civic benefits for all constituents. In 2017, C4C network reached over 712,000 Lawful Permanent Residents through naturalization outreach and communication campaigns. C4C also assisted 11,450 LPR's with citizenship application and connected 14,000 LPR's with financial empowerment services.

Cities for Citizenship will continue to serve and grow as a network that supports local municipal efforts in launching and expanding naturalization efforts while integrating financial empowerment efforts. C4C invites new cities and counties to join the initiative. Additionally, C4C recommends that current C4C members learn from the highlighted cities and counties in this report of how to best incorporate financial empowerment services with naturalization and continue to seek opportunities to integrate efforts to fully support individuals on their pathway to citizenship and maximize the numerous aforementioned benefits of naturalization.

Notes

1.

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8.

United States Citizenship and Immigration Services, “Naturalization Fact Sheet,” May 19, 2017, <https://www.uscis.gov/news/fact-sheets/naturalization-fact-sheet>.

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For more information please visit [www.cdca.coop](http://www.cdca.coop) or contact Pablo DeFilippi at [pablo@cdca.coop](mailto:pablo@cdca.coop).

C4C CITIES AND COUNTIES

Albuquerque, NM	Detroit, MI	Miami-Dade County, FL	Sante Fe, NM
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Atlanta, GA	High Point, NC	Montgomery County	Skokie, IL
Baltimore, MD	Houston, TX	Nashville, TN	Somerville, MA
Boston, MA	Huron, CA	New Haven, CT	Seattle, WA
Cambridge, MA	Indianapolis, IN	New Orleans, LA	South Gate, CA
Champaign, IL	Jersey City, NJ	New York, NY	Suffolk County, NY
Charlotte, NC	Kansas City, KS	North Miami, FL	Tacoma, WA
Chattanooga, TN	Kitsap County, WA	Peterson, NJ	Tucson, AZ
Cincinnati, OH	Knoxville, TN	Philadelphia, PA	Tulsa, OK
Chicago, IL	Livingston, CA	Phoenix, AZ	Washington, DC
Cleveland, OH	Long Beach, CA	Pittsburgh, PA	Worthington, MN
Columbia, SC	Los Angeles, CA	Portland, OR	York, PA
Dallas, TX	Louisville, KY	Reading, PA	
Dayton, OH	Lucas County, OH	Redmond, WA	
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# **EXHIBIT B**



MISSION Submitted via email to [dhsdeskofficer@omb.eop.gov](mailto:dhsdeskofficer@omb.eop.gov)

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with key allies.

May 6, 2019

OMB USCIS Desk Officer  
Office of Management and Budget  
725 17th Street NW  
Washington, DC 20503

**Re: Agency USCIS, OMB Control Number 1615-0116** - Public Comment Opposing Changes to Fee Waiver Eligibility Criteria, Agency Information Collection Activities: Revision of a Currently Approved Collection: Request for Fee Waiver FR Doc. 2019-06657 Filed 4-4-19; 84 FR 13687, 13687-13688

Dear Desk Officer:

I am writing on behalf of OneAmerica in opposition to the Department of Homeland Security (DHS), United States Citizenship and Immigration Services (USCIS) proposed changes to fee waiver eligibility criteria, OMB Control Number 1615-0116, published in the Federal Register on April 5, 2019. We are filing these comments by the deadline of May 6, 2019. Attached are our original comments to the publication of this rule last fall. We provide further comment here and address USCIS' comments<sup>1</sup> as well below.

OneAmerica is a 501(c)(3) organization and the largest immigrant and refugee advocacy organization in Washington State. OneAmerica plays an active role in state and national coalitions working on immigrant rights, education, economic and environmental justice, voting rights, and immigrant and new citizen integration. Our mission is to promote justice, fairness and due process for all, particularly for immigrant and refugee communities.

We have particular expertise to be commenting on this regulation. One of our flagship programs, Washington New Americans (WNA), has provided free citizenship screening and application preparation workshops throughout the State of Washington since 2008, in partnership with the Washington Chapter of the American Immigration Lawyers Association (AILA-WA). Volunteer immigration attorneys and DOJ-accredited representatives meet with prospective applicants to screen for naturalization eligibility. Assuming no major issues, we then prepare their N-400 forms, including fee waivers, if eligible. Then their applications undergo a second round of attorney review. Once finalized, the applicants leave our workshops with a completed N-400 package ready for filing. The applicants then either represent themselves at their USCIS interviews, or are advised to bring counsel with them as needed. We hold approximately 22 workshops like these around Washington State per year. Often we are in one rural location just once a year, which can be difficult for some applicants who do not have everything we need to complete their case that day.

<sup>1</sup> See generally, USCIS Responses to Public Comments on I-912 Revision 60-day Federal Register Notice, (April 5, 2019), [www.regulations.gov/document?D=USCIS-2010-0008-1243](http://www.regulations.gov/document?D=USCIS-2010-0008-1243)

## MISSION

OneAmerica advances the fundamental principles of democracy and justice at the local, state and national levels by building power within immigrant communities in collaboration with key allies.

We collect income data for everyone we serve. More than 90% of all clients served are at or below 300% of the federal poverty line, though our program is not income-limited. The Washington State Office of Refugee and immigrant Assistance (OIRA) funds similar services, but requires that those served through their programs be the lowest-income permanent residents. Thus, WNA fills the gap, serving many whose earnings are slightly too high for OIRA-funded programs, but are still unable to afford private attorneys.

Approximately 40% of our applicants apply for fee waivers for the N-400 filing fee, and of those, about 50% do so based on receipt of public benefits and 50% apply under the 150% poverty guidelines income test. We do not offer assistance with fee waivers based on economic hardship, because of their complexity and high rate of denials. Of the fee waiver applications our applicants file, a small proportion of income-based waivers are rejected the first time, sometimes arbitrarily. The public benefits-based fee waivers we prepare, however, are rarely rejected by USCIS. Approximately 10-15% apply for I-942 reduced fees. When we have offered applicants the opportunity to use the credit card form, we have rarely had clients use that option because they don't have credit cards.

In FY18, 28% of the applicants who successfully completed their N-400 at our workshops did not send in their applications because they couldn't afford the fee, and were either ineligible for the fee waiver or didn't bring enough income documentation to the workshop for us to help them prepare the income-based I-912. We expect this 28% figure to increase under the proposed regulation if it becomes final. We expect the figure to rise even more if USCIS increases the filing fee later this year, and if the proposed public charge rules become final as well.

Fundamentally, we serve an important need in Washington State by providing free legal services to LPRs with fairly straightforward cases who would otherwise not be able to prepare their cases alone or afford to hire private counsel. Nearly half of them cannot pay the very expensive filing fee of \$725.00 or reduced fee of \$405.00. And if we are no longer able to support them with this aspect of their application, many will find themselves barred from naturalization not due to ineligibility, but simply because they cannot afford to file.

We strongly oppose this rule because it lacks justification, is complex, and because it increases the time and expense burdens on applicants, nonprofit legal service organizations like ours, government agencies, USCIS adjudicators, and communities across America.

### **Background on Current Fee Waiver Guidance and Optional Form I-912, Request for Fee Waiver**

In 2010, after extensive collaboration with stakeholders, USCIS developed the Form I-912, Request for Fee Waiver, and then published the current fee waiver guidance. USCIS held public teleconferences and gathered extensive information from stakeholders before making these changes. The guidance replaced ten prior memos that contained contradictory instructions on fee waivers, and the new form for the first time allowed applicants a uniform way of applying for a fee waiver.

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The purpose of the form and the new three-step eligibility analysis was to bring clarity and consistency to the fee waiver process. The analysis for fee waiver eligibility is:

- Step 1: the applicant is receiving a means-tested benefit; or
- Step 2: the applicant's household income is at or below 150% of the poverty income guidelines at the time of filing; or
- Step 3: the applicant suffers a financial hardship.

USCIS continued to consider applicant-generated fee waiver requests not submitted on the form. The standard for fee waiver eligibility for limited types of USCIS forms is described in the underlying regulation as making fee waivers available when "the party requesting the benefit is **unable to pay** the prescribed fee."

### Current Revisions

On September 28, 2019, USCIS published in the Federal Register a Notice of Agency Collection Activities; Revision of a Currently Approved Collection: Request for a Fee Waiver; Exemptions as a notice under the Paperwork Reduction Act (PRA). The notice stated that USCIS intended to eliminate the eligibility ground of receipt of a public benefit for the fee waiver, and alter the Form I-912 accordingly, but would continue to allow eligibility for financial hardship or income of 150% or less of the poverty income guidelines. The agency stated that since different income levels were used in different states to determine means-tested benefits, using that standard has resulted in inconsistent adjudications. No documentation or analysis was offered. The notice also stated that if USCIS finalized this change, it would eliminate the current USCIS Fee Waiver Guidance and replace it. No new proposed guidance was published for public comment. A total of 1,198 comments were filed in response.

On April 5, 2019, the current notice was published, stating that USCIS was proceeding with the change, eliminating public benefits receipt as an eligibility ground for the fee waiver, and that it was proceeding with the form revision. Fee waivers based on "poverty income guidelines threshold and financial hardship criteria" will apparently be retained, although no details are offered. The notice also announced that the current fee waiver guidance would be rescinded, and new guidance would be issued. There was no discussion of the 1,198 comments received in response to the September 28, 2018 notice.

### The PRA Process is Inappropriate for Substantive Guidance Changes.

USCIS has proceeded in this process as a form change with a collection of information under the Paperwork Reduction Act (PRA) of 1995. The PRA requires the agency to explain the purpose of the form being produced and its burden on the public. Here, however, much more than a form or collection of information is involved, and the use of streamlined PRA process is inappropriate.

The changes proposed here are not information collection. Instead, they go to the heart of a substantive eligibility requirement. The proposed changes to the fee waiver eligibility criteria and accepted forms of evidence represent a fundamental change in the law that is being finalized

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without sufficient public notice and comment that would otherwise be required under the Administrative Procedures Act as a regulatory change.

### Additional Burdens Created by the Revision

USCIS proposes 1) eliminating means tested benefits as a basis for a fee waiver; 2) making I-912 forms mandatory for each applicant wanting a fee waiver and 3) requiring mandatory IRS documents for income and hardship based fee waivers. Each of these will substantially increase time and cost burdens on applicants, service providers like our organization, USCIS and third party local, state and federal agencies as explained below.

### Eliminating eligibility for a means-tested benefit will place a significant burden on individuals applying for immigration benefits.

The revision eliminates an individual's ability to use proof of receipt of means-tested public benefits to demonstrate inability to pay the prescribed fee. Receipt of a means-tested benefit is sufficient evidence of **inability to pay**, which is what 8 C.F.R. § 103.7(c) requires. USCIS fails to provide any evidence that accepting proof of receipt of a means-tested benefit has led the agency to grant fee waivers to individuals who were able to pay the fee. This proof is by far the most common and straightforward way to demonstrate fee waiver eligibility as applicants have already proven current receipt of benefits by providing a copy of the official eligibility letter, or Notice of Action, from the government agency administering the benefit. With our workshop model, these types of waiver applications take us less than 10 minutes to prepare. By contrast, income based waivers can take anywhere from 30 minutes to over an hour or more.

USCIS determined, in making these revisions, that the various income levels used in states to grant a means-tested benefit "result in inconsistent income levels being used to determine eligibility for a fee waiver." Consequently, a fee waiver may be granted for one person who has a certain level of income in one state but denied for a person with that same income who lives in another state.

However, the underlying legal standard for a fee waiver is **ability to pay**, according to the regulations, not income.

Ability to pay isn't the same for two people with the exact same income who live in two different states with totally different costs of living. If people with the same income living in rural Mississippi and in New York City must have the same income to qualify for a fee waiver, that is arbitrary and cannot possibly be a fair measure of **ability to pay**. Moreover, subtracting living expenses from income, especially in high cost of living areas like Seattle, Washington and Puget Sound generally, leaves even more people unable to pay the high filing fees, even with higher wages. The higher income but also higher cost of living puts applicants in our area well over the 150% poverty guideline test but under 200% and still not be able to afford the reduced fee. That leaves them with only the economic hardship test that is routinely denied.

- A national income standard does not account for cost of living differences. For example, according to 2018 data from HUD, area median income in Seattle is \$103,400. "Very low income" in Seattle for a family of 4 (defined as 50% of Area Median Income) is

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\$53,500/year.<sup>2</sup> Seattle recently adopted a minimum wage of \$15/hour to account for increases in the cost of transit, food and housing, which have risen exponentially in recent years.<sup>3</sup>

- By contrast, many other areas of the country have lower minimum wages and lower costs of living, like Toledo, Ohio, for example. According to 2018 data from HUD, area median income in Toledo is \$67,200. “Very low income” in Toledo for a family of 4 (defined as 50% of Area Median Income) is \$33,600/year.<sup>4</sup> An analysis of local conditions - such as the analysis that a public benefits-granting agency conducts - is a truer reflection of ability to pay.
- USCIS’ proposal appears to require people in areas with higher costs of living - like Seattle - to submit fee waivers on the basis of financial hardship, whereas someone in Toledo, Ohio would qualify on the basis of income within 150% of the federal poverty guidelines (50% of Area Median Income in Toledo for a family of 4 is \$33,600, well under the 2018 I-912P upper limit for a family of 4 is \$37,650). We know from experience that applying for, and submitting documentation for a naturalization fee waiver based on financial hardship takes longer, and is less likely to be approved, than an income-based or public benefits based waiver.
- For example, here in Seattle, our \$15/hour minimum wage means that a single-person household, working at minimum wage, would earn \$31,200 annually, disqualifying him or her from both the I-912 and the I-942 on the basis of income. Seattle has become the sixth costliest city in the country to live in, according to 2017 data.<sup>5</sup> (Even our local USCIS office has trouble finding personnel that can afford to live here.) Income may be higher, but expenses are significant, leaving many people with income over the poverty line but insufficient funds to pay the \$725 or even the reduced fee. This would require them to file under the more complex hardship waiver ground.

Individuals who have already passed a thorough income eligibility screening by government agencies should not have to prove their eligibility all over again to USCIS. By eliminating receipt of a means-tested benefit to show eligibility, the government is adding an additional burden on immigrants who already are facing the economic challenge of paying for application fees. USCIS is taking the indefensible position that it cannot tell which public benefit programs are means-tested and which ones are not. Given that the largest means-tested programs are federal programs such as Medicaid or SNAP, this assertion is plainly a pretense for an action that has no real basis in fact.

These proposed changes will discourage eligible individuals from filing for both fee waivers and immigration benefits and place heavy time and resource burdens on individuals applying for fee waivers.

<sup>2</sup> <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn> and see attached “Seattle Hits New High for Cost of Living and It’s Not Just Housing,” Seattle Times, Jan 26, 2018.

<sup>3</sup> <https://www.seattletimes.com/seattle-news/data/beer-burgers-and-haircuts-seattle-hits-new-high-for-cost-of-living-and-its-not-just-housing/>

<sup>4</sup> <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn> and see attached

<sup>5</sup> “Seattle Hits New High for Cost of Living and It’s Not Just Housing,” Seattle Times, Jan 26, 2018. <https://www.seattletimes.com/seattle-news/data/beer-burgers-and-haircuts-seattle-hits-new-high-for-cost-of-living-and-its-not-just-housing/>



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### **The revision will place a time and resource burden on individuals applying for fee waivers.**

By only accepting fee waiver requests submitted using Form I-912, USCIS will limit the availability of fee waivers. Applicants must continue to be permitted to submit applicant-generated fee waiver requests (i.e., requests that are not submitted on Form I-912, such as a letter or an affidavit) that comply with 8 C.F.R. § 103.7(c), and address all of the eligibility requirements.

Eliminating the currently accepted applicant-generated fee waiver requests places an additional and unnecessary burden on applicants to locate, complete, and submit the Form I-912, when a self-generated request that provides all of the necessary information can equally meet the requirements.

Under the proposed changes, the applicant must procure additional new documents including a federal tax transcript from the Internal Revenue Service (IRS) to demonstrate household income at less than or equal to 150% of the federal poverty guidelines. Currently, applicants can submit a copy of their most recent federal tax returns to meet this requirement. The government does not provide any reason as to why a transcript is preferred over a federal tax return. Federal tax returns are uniform documents and most individuals keep copies on hand. If needed, they can provide alternate proof of filing, such as postal return receipt cards, copies of refund checks, bank statements with auto-deposit of refunds or cancelled checks, or tax preparer or TurboTax electronic filing receipts. The proposed requirement will place an additional burden on individuals for more documents and does not account for those individuals who might need assistance obtaining a transcript due to lack of access to a computer, can't meet the electronic request guidelines (see below), or will suffer delays involving delivery of mail.

The USCIS position that changes to the form will not be an excessive burden is misleading and incorrect. USCIS estimates it will take 1.17 hours to complete the response. But, in our experience, it can take at least 45 minutes to more than an hour to help applicants file fee waivers with tax returns. It most certainly takes longer than that to complete an income-based fee waiver if the person has multiple sources of income or doesn't earn enough money to file taxes. Add to that the proposed change mandating tax transcripts or evidence of not being required to file a return, and this becomes an excessive burden on our clients in the workshop setting, which is our core legal service model for serving low and moderate income applicants.

#### Income taxes

For clients filing under the 150% poverty guideline test requiring tax returns, the USCIS comment states tax transcripts will be required. To order transcripts online, the IRS requires not only proof of identity, but also evidence of financial products in their own name. Most of our clients simply do not have these things, such as mortgages, loans, credit cards and mobile phone accounts. This means they will need to request IRS transcripts by phone or mail, which will take longer.

We hold workshops in largely rural and agricultural communities in central, eastern, and southern Washington where many of our clients are farmworkers. Many do not have email addresses or use the internet; many do not have credit-based financial resources to be able to even set up an online IRS account. In addition, we believe this will further impact our services to these clients at our



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one-day workshops in April or May and October-November since the IRS says it can take at least eight weeks for a recently filed return to get into the transcript system. Even if we changed our outreach, most people would not be able to obtain transcripts on their own, in time for the workshop. And because our services are designed to serve people in one day, we would not be able to assist them later if they obtained their transcripts after the workshop.

Finally, we know from experience that we often spend a lot more time dealing with tax issues at our workshops such as evaluating, attributing income to the proper household member, evaluating multiple sources of income, and reviewing tax payment plans. We often have to refer applicants out to accounting specialists or to gather additional information before we can complete an income-tax based fee waiver.

### Evidence of no return filing with IRS

The IRS website states that its Verification of Non-Filing does not indicate whether a return was required or not. While USCIS retreated somewhat on this proposed requirement in its response to the comments, USCIS still wants other types of evidence from the IRS or SSA to prove W-2s or other income. USCIS also suggested in the proposal that applicants obtain items like letters from churches, old employers, social service agencies or other organizations to prove someone's income and lack of need to file a return. Many of our clients are elderly or disabled and are exempt from the English test. Navigating the IRS or SSA website, which only offers limited additional languages, requires more time to help these individuals that we cannot provide at our one-day workshops. Consequently, USCIS' proposal is excessively burdensome to applicants and will take way more than the estimated 1.17 hours to complete.

### Non-means tested benefits

USCIS asserts that "many applicants have requested a fee waiver based on the receipt of public benefits that are not means tested." We disagree. In our experience, nearly all of our public benefits fee waiver clients receive means tested benefits such as Washington AppleHealth, Medicaid, SNAP (Basic Food), TANF or WIC, which are the most common programs that we see. We know that benefits MUST be means-tested in order to qualify someone for the I-912. If an applicant submitted evidence of benefits that weren't means-tested, USCIS's rejection would be justified.

### **This revision will negatively impact the ability of individuals, especially those who are vulnerable, to apply for immigration benefits for which they are eligible.**

The filing fee associated with various immigration benefits can be an insurmountable obstacle for an immigration benefit or naturalization application. Any opportunity to mitigate the costs associated with filing should ease, rather than exacerbate, these obstacles.

Increasing the burden of applying for a fee waiver will further limit access to naturalization for otherwise eligible lawful permanent residents. The naturalization fee has gone up 600% over the last 20 years, pricing many qualified green card holders out of U.S. citizenship. USCIS asserts that if applicants cannot submit a fee waiver, they should merely wait to apply to "save funds" and just renew their green cards. This egregious argument clearly is meant to discourage eligible applicants from applying, which in turn is designed to dissuade people from becoming citizens and

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exercising their franchise to vote. This is contrary to our organization's mission and values to promote civic engagement in immigrant communities. This specious argument also both fails to consider the harm to individuals resulting from the delay in applying and unjustifiably assumes individuals applying for fee waivers have disposable income that could be set aside. Also, renewing one's green card (\$540) isn't much less than the naturalization fee. Further, we know that USCIS plans to increase its fees later this year, making naturalization even less affordable to more people.

The changes would harm the most vulnerable populations. Although we do not work in the humanitarian visa space, many of our naturalization applicants have received VAWA, U or T based green cards. More than 94% of domestic violence survivors experienced economic abuse, which may include losing a job or being prevented from working. Fee waivers are critical to ensuring survivors can access relief. The changes will harm survivors of domestic violence, sexual assault, human trafficking, and other crimes who are unable to meet the stricter evidentiary requirements proposed to prove eligibility and go against the evidentiary standards applicable to applications for relief filed by survivors. Our colleagues who work in this space report that they see many economic hardship denials.

The changes would also harm people with disabilities. Thirty percent of adults receiving government assistance have a disability. For most, that disability that limits their ability to work. Eliminating the ability to use receipt of a mean-tested benefit as proof of fee waiver eligibility, or any new requirements that make the process more complicated, will further burden those with disabilities in accessing an immigration benefit for which they are eligible.

The Washington New Americans citizenship workshops were originally started to meet the needs of LPRs living in rural areas and small towns in Washington with the least access to experienced immigration attorneys. Therefore, most of our workshops are conducted outside of the Seattle area. Many of the applicants at our workshops are receiving public benefits or fall in the 150-200% of the poverty guidelines, but still cannot even afford the reduced fee. Many of our clients work in agriculture, light industry and manufacturing, or low wage service sector jobs. We also have many unemployed applicants such as seniors, the disabled, homemakers, students and temporary or long term unemployed applicants. At our Seattle-Tacoma events, where minimum wages are higher, the cost of living is also much higher than around the rest of the state, leaving very little if any net income for our clients, thereby affecting their ability to pay. The current filing fees are simply cost prohibitive for these individuals.

By helping people apply for naturalization with the help of fee waivers, their lives can and do change for the better. We have had clients tell us about receiving better jobs, being able to later earn more money, buy a home, reunite with family members, and travel freely.

If they couldn't obtain the fee waiver and had to remain in LPR status, our clients would struggle in a number of ways. First, the elderly and disabled who time out of their SSI benefits after 7 years will lose the cash assistance they rely on for food, rent, and medication. People who work in construction, infrastructure or other industries are ineligible for federal contracting jobs as non-citizens. There are also a number of applicants whose teenage children would have been able to derive citizenship automatically if their parents had been able to do so before they turned 18. If a

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parent is unable to obtain the fee waiver, it doesn't only cost them their own naturalization fee; it also means they may have to save up to pay for their children's future naturalization fees.

We know that many of our applicants who work in agriculture, in particular, who have struggled for years to save for the naturalization fee, often hold two or three jobs when their opportunities could have improved by becoming a citizen earlier.

**The changes will increase the inefficiencies in processing fee waiver requests while further burdening government agencies.**

USCIS claims the changes will standardize, streamline, and expedite the process of requesting a fee waiver by "clearly laying out the most salient data and evidence necessary to make the decision." Instead, these proposed changes will slow down an already overburdened system, delaying and denying access to immigration benefits or naturalization for otherwise eligible immigrants. USCIS adjudicators will be forced to engage in a time-consuming analysis of voluminous financial records, rather than relying on the professional expertise of social services agencies who determine eligibility for means-tested benefits. We suspect the true aim of the rule is to reduce fee waivers altogether, because the proposal substantially increases the burden on USCIS adjudicators if there are the same number of applicants as there are today.

This revision also places an unnecessary burden on the IRS, and fails to address whether the IRS is prepared to handle a sudden increase in requests for documents. Under the revision, almost every person who applies for a fee waiver based on their annual income must also request the required documentation from the IRS in order to prove their eligibility.

**The changes will place a time and resource burden on legal service providers and reduce access to legal services, especially in under-resourced locations.**

The revisions detailed above will increase the burden on non-profit legal service providers like ours and limit access to immigration legal services for individuals in need. In addition, it will make it harder for legal service providers to help immigrants who cannot afford the fee in applying for immigration benefits and naturalization. Particularly for organizations like ours, designed to offer only same-day service, we do not have the time and resources to handle the extra paperwork burdens required to prove income (or the lack thereof) beyond what we do already. Because of "extreme vetting," the RFE and NTA USCIS memos, our attorneys and DOJ Representatives are spending more time vetting naturalization eligibility. By the time we get to the fee waiver process, applicants have passed eligibility screening and we are simply figuring out who can pay the fee in full, a reduced fee, or no fee. As noted earlier, we do not even handle economic hardship waivers because of the excessive documentation requirements and high denial rates.

Fee waiver preparation for low-income immigrants demands hours of work from legal services providers who see clients one-on-one over multiple visits in law offices or nonprofit agencies. The fee waiver based on receipt of a means-tested benefit is efficient in that the provider knows which document will be sufficiently probative for USCIS. The other grounds for a fee waiver, financial hardship and a threshold of the poverty income guidelines, are much less clear, and require far more time to gather sufficient documentation.

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Our clinics fill the gap in legal services for low-income clients. Because we aim to serve different geographies across Washington State, we hold one-day clinics in 6-10 different cities each year. Our services are designed to be delivered in one day. Eligible applicants leave our clinics with completed applications to file on their own. Demand for our services is high, but we do not have the time or resources to document income in the way the proposed regulation would require. We would end up serving fewer people, and more higher-income people. We would have to turn away the neediest people (those who do not earn enough to file tax returns and will need significant assistance to obtain income documentation) and refer them to other service providers, even though these clients typically already cannot afford legal services. Likely they will end up not applying at all.

The fact is, applicants now more than ever need legal assistance with these complicated applications. The N-400 and other immigration applications have become longer and longer, and fees and processing times have risen dramatically. People who need our assistance in filling out the forms are especially likely to struggle with navigating the complex system of bureaucratic hurdles required to provide the proof of income or hardship, as described above that would become a more common basis of fee waiver ineligibility under the proposed change. The proposed rule is actually a barrier to access to counsel.

We have done a cost and task analysis to determine how we would need to change our program to accommodate this new rule. We would need to change our outreach materials, website, radio and TV advertisements, and advertising in 12 languages (what to bring to the workshop), train our staff on the new rule and various forms of income documentation, change our training for volunteers, redesign sample completed forms for trainings, set a new policy to determine which clients we could help or not, and update our post-workshop instructions in 6 languages.

We would also need to allocate additional staff time for lengthier follow-up efforts after our workshops. Currently, if an applicant from one of our workshops tells us that their fee waiver was denied, it is usually for a simple reason - they forgot to sign the form, or their public benefits award letter was submitted in Spanish instead of English. It usually takes us one 15-minute phone call to figure out what the problem is and help them fix it.

However, if this change goes through, we'll need to plan on at least 2-4 additional hours of follow up for each fee waiver applicant, which is made even more complicated by the fact that all of our post-event follow up is by phone. Many of our clients use pre-paid mobile cards and their phone numbers often change, another hurdle to verify their identity to obtain their tax transcript (described elsewhere in this letter). Given the complexity of the income documentation that USCIS wants to require, we anticipate that many of our income-based I-912s would be rejected at least once, if not twice. We will need to review the person's entire fee waiver application and what could be dozens of pages of income documentation and try to figure out the reason for the rejection. This usually involves the applicant texting us photos of their paperwork so we can see it. If we needed to help the applicant gather additional documentation, that would take several back-and-forth phone calls, especially if the applicant needed assistance requesting IRS income and wage transcripts by mail, or help setting up an online SSA account. Once we helped them gather the documentation, we would have to redo the I-912 fee waiver, and perhaps prepare a cover letter

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requesting supervisor review. There may be additional follow-up required if the waiver was again denied.

Estimated costs to OneAmerica if proposed regulation is adopted:

Item	Quantity	Cost
Staff time to update outreach materials, website, telephone scripts, advertisements, post-workshop instructions, volunteer trainings	150 hours @ appx \$28/hour including taxes and benefits	\$4,200
Re-translation and reprinting of affected materials (print, radio, tv ads, flyers, etc.) in 12 languages		\$4,000 (estimated)
Additional staff time for follow up for fee waiver issues	~291 hours. Estimating 3 hours of follow up per workshop fee waiver applicant (in FY18, we completed 97 fee waivers), @ \$28/hour including taxes and benefits	\$8,148

Overall, we anticipate this regulation change would cost us **more than \$16,348**, including 400 hours of additional staff time. *This does not reflect the changes or costs we would incur if we decide to change our service delivery model* (for example, if we have to run separate clinics to train applicants how to order all the IRS and other demanding information, or to bring on and train volunteers with expertise in taxation and Social Security who can set up email accounts for clients and order documents online and on site.) *Nor do the above costs include offering preparation workshops **prior to** attending a naturalization screening and N-400 preparation workshop or offering separate fee waiver workshops.* Moreover, if we have to send fee waiver applicants to nonprofit organizations that handle fee waivers in-house, this may jeopardize the grants we all rely on to keep our programs open, grants which are often tied to full-service naturalization application outcomes and not partial services (such as a standalone fee waiver).

Currently, non-profit immigration legal service providers, including those in remote areas of the United States, organize one-day workshops as the most efficient model to help eligible applicants apply for immigration benefits and naturalization. Workshops are helpful to both applicants and USCIS because it allows for a reduction in errors and minimizes the fraudulent provision of immigration services. With the proposed changes to the fee waiver form, it will become harder or



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even impossible for non-profit legal service providers to complete applications in the workshop setting. Organizations may stop providing assistance with fee waivers in the workshop setting. This would cut off access to legal support and immigration relief for vulnerable populations, particularly for those in remote or other hard-to-reach areas.

### Comments to USCIS' Comments

Following close of the public comment period to the original proposed regulation, USCIS issued its own comments, "USCIS Responses to Public Comments Received on the 60-day Federal Register Notice." We make the following remarks about USCIS' consideration of the public's comments below. To summarize, as explained below, USCIS failed to address or refute the public's comments to the proposed regulation changing the I-912 form and instructions.

1. While "understanding" that applicants will need different documentation for a fee waiver if the regulation becomes final, USCIS gives no reasoning or analysis to reject the public's comments. USCIS merely states "applicants may still request fee waivers" and the changes are not excessive. We beg to differ, as described above and in our original comment where we gave explicit detail on how clients, our nonprofit and other government agencies would be burdened. USCIS does not discuss any of this or the burdens raised by other commenters.

2. Regarding public comments that the proposal is really a regulation, USCIS says that it is merely changing the policy manual to update "criteria" for proving "inability to pay" in the regulation and is not changing the regulation itself. However, as mentioned earlier in this letter, there is a long history of there being three grounds to qualify for fee waivers. USCIS proposes to eliminate one. A requirement for a benefit is more than a mere policy change or method of improving quality or consistency of fee waivers, as USCIS claims. Indeed, the proposal is so significant to fee waiver eligibility as to be a baseline requirement; therefore, the eligibility change should have been subject to notice and comment as well as heightened justification requirements under the Administrative Procedures Act.

3. The public previously commented that APA requirements required sufficient evidence and rationale as well as data to justify USCIS' new requirement. In its comment, USCIS relies solely on a form and instructions to justify a change in the "interpretation" of inability to pay such that the change is interpretive and procedural, not requiring APA compliance. Further, USCIS argues that the fee waiver is discretionary, and it has provided notice and comment to give applicants time to comply with the income-based waiver. It notes that its "rational basis" for the eligibility change is that "means-tested benefits to demonstrate inability to pay resulted in inconsistent application of the policy."

We firmly disagree with this analysis and justification. And, frankly, USCIS' "rational basis" reasoning given without evidence to support it makes the proposal arbitrary and capricious. While a fee waiver application is decided on its individual merits in the exercise of discretion, the requirements of who can file are not a matter of discretion. USCIS is not changing its "interpretation" of ability to pay. It is changing a foundational requirement about who may or may not apply. In addition, the "rational basis" that means tested



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benefits resulted in inconsistent application of the policy have never been shown by USCIS. It has not described its procedures to analyze means tested benefits, how the policy was applied inconsistently, whether and how many applications might have been wrongly decided and why. USCIS has not met its burden of demonstrating evidence to support its rational basis conclusion that would be required if this foundational change was subject to APA requirements.

Even under the Paperwork Reduction Act, USCIS has not demonstrated the burden it has suffered, and as set forth below, USCIS completely ignores the new added burdens on applicants and service providers as well as other government agencies that applicants must contact now. This Administration has a policy to be aggressive in the treatment of immigrants who receive public benefits as shown by the President's Executive Order that presumes rampant public benefits fraud among immigrants, the State Department's Foreign Affairs Manual change on its public charge interpretations without any rulemaking at all, and the Administration's proposed harsh public charge regulations from DHS and soon to be from DOJ. Regarding this particular form/regulation change, we have seen no other evidence from USCIS how it has engaged in inconsistent policies in adjudicating waivers based on means tested benefits.

4. Regarding the "general opposition to the removal of the means-tested benefits criteria," USCIS confuses various income levels used by states with the fact that fee-paying applicants pay for those who receive fee waivers. These are two different issues and should not be conflated into one. USCIS fails to acknowledge commenters' points and economic data showing that "inability to pay" in the regulation is not the same as a threshold income standard. We gave as an example previously in this letter the differences between low wage, low cost of living economic data in Toledo, Ohio compared to higher wage but also higher cost of living in Seattle that ends up being the same situation at the end of the day (income less expenses) for applicants from both cities - inability to pay. What will be inconsistent if this rule is finalized, is that someone in Toledo can qualify for a fee waiver because wages and income is lower there, but someone in Seattle is shut out because of our \$15 minimum wage, which brings someone's income over the 150% poverty guidelines, even though both individuals are unable to pay the filing fee. Thus, this rule will CREATE disparities and inconsistencies, not eliminate them. The minimum wage earner in Seattle may not have extraordinary circumstances to justify an economic hardship waiver, and will be excluded from eligibility under the 150% rule despite receiving a means-tested benefit that uses locally-based income rules. (For example, in Washington, Basic Food applicants can receive up to 200% of the poverty guidelines. This doesn't mean the person can afford even the reduced fee.)

5. USCIS concludes without citing any evidence that "many applicants have requested a fee waiver based on the receipt of public benefits that are not means-tested." USCIS has provided no evidence that this is a significant problem. Even if we give the benefit of the doubt to USCIS that there were at least some applicants relying on non-means tested benefits programs, the solution is to merely publish a list of programs that are not eligible for the public benefits fee waiver or to better clarify what means-tested means in the instructions to the form. Erroneously applying for a waiver for which one does not qualify

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does not mean there's a problem with the current waiver requirements. The solution isn't to harm all the rest of the people who do in fact receive means-tested benefits.

6. USCIS ignores the argument that the proposed rule change is a "waste of taxpayer dollars" by focusing on its own resources that are covered by fees. Rather, the proposed rule change would impact the IRS, which has lost employees over the last few years, Social Security Administration and other federal and state branches of government that must now use taxpayer dollars to issue tax transcripts, SSA earning statements and other government agency correspondence, letters or other data that is currently not needed.

7. DHS discounts the burden on applicants, nonprofits and other agencies by stating applicants already have financial information to get means-tested benefits (in direct contradiction to #5 that people are not obtaining means-tested benefits). However, USCIS documentation requirements exceed those of other public agencies, impose additional burdens on the IRS, SSA and other state and federal agencies. Finally, USCIS ignores the burdens mentioned in the comments by simply concluding they are a "potential small burden increase" when that is not the case.

8. Removing means-tested benefits negatively impacts people who do not need to file tax returns. While USCIS backs off slightly from its original requirement of an IRS letter that no return was filed (because IRS also states such a letter neither confirms nor denies that a return was due), applicants still also have to provide W-2s and paystubs. See #13 and 14 below.

9. USCIS' 9th comment is the most egregious of them all. In response to public comments that some applicants, who, **although being eligible for naturalization**, will not be able to apply for naturalization or other benefits at all because they will no longer qualify for an income waiver, USCIS comments that LPRs need only renew their green cards or wait indefinitely until they have enough money to apply. This type of comment clearly is intended to dissuade eligible and otherwise qualified LPRs from becoming citizens and to discriminate against poor and moderate income people by obstructing access to benefits to which they are entitled. It is also a form of voter disenfranchisement, consistent with the agenda of the current administration.

10. While USCIS acknowledges that "applicants with a household income greater than 150% of the federal poverty guidelines will no longer be eligible for a fee waiver," USCIS encourages them to apply based on financial hardship, knowing the rejection rate is high and arbitrary! We, and our partner organizations who have been doing this work for decades, know from experience that many naturalization fee waivers based on economic hardship are usually denied. There is no bright line rule for showing economic hardship. But, USCIS requires a narrative explaining the individual's circumstances, calculation of the value of a person's assets, a monthly expense and liability list and supporting documentation. All of this requires hours and hours of work that we cannot handle at a workshop like ours, and the time and expense commitments are substantially more than the estimated 1.17 hours in the proposed regulation. Further, this group of cases are the most variable and individualized, subject to wide interpretation by adjudicators.

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Adding more applicants to this pool will result in more inconsistent adjudications, and will take more USCIS resources to decide these cases since the evidence can be varied and abundant due to a range of circumstances like medical hardships, evictions, homelessness, family or personal life events. These cases are often denied with a form denial letter (G-1054) that does not provide any specific reasons for denial, or are issued without a denial letter of explanation at all. Examples include denials such as the applicant “failed to demonstrate an inability to pay;” the applicant provided “insufficient information” without citing any of the information provided and why it is deficient. These issues are prevalent in the humanitarian visa context, where USCIS forces applicants to guess blindly at what evidence would satisfy inability to pay. Adjudicators’ failures to provide analysis of the evidence and to describe the reasons for the deficiencies violates the agency’s own regulation and procedural due process. We don’t offer this application service at our workshops because of the time commitment required and the need to attack and anticipated denial. By eliminating the public benefits fee waiver and forcing more people into this category, we would expect an increase in denials, not to mention more work for USCIS adjudicators, and inconsistent decisions, since the proposed rule does nothing to clarify the economic hardship standards for this class of fee waivers.

11. USCIS responds to public comments that the proposal will punish poor families and discriminate against low income families by suggesting “all applicants may still request a fee waiver.” We fail to see the point of requesting a fee waiver when the proposed eligibility guidelines would preclude the applicant from qualifying for the waiver.

12. USCIS does not respond at all to public comments that immigrants provide benefits to the US and should be given an opportunity to pursue applications for which they are entitled and eligible. Naturalization-focused organizations like ours provided numerous studies and statistics in our comments (see attachment) that show that new citizens provide significant benefits to the communities where they live. USCIS ignores these comments, studies and data by concluding it did not propose to change requirements for naturalization or other immigration benefits. What USCIS has done, though, is **remove access to** applying for those benefits due to inability to qualify for the fee waiver or inability to access legal counsel because of the added burdensome time and expense to organizations like ours if this rule becomes final... We expect that to impact mostly people living in high priced cities like Seattle, San Francisco, New York or people living in small, rural communities across the country where there is limited access to counsel, and limited access to resources to help them prepare fee waiver applications (including limited ability to qualify to access online IRS services among others) that are a prerequisite to being able to file for naturalization under the proposed rule.

13. We are grateful that USCIS backed off on requiring Verification of Non-Filing letters from IRS (because IRS cannot opine on whether one was required or not), but then USCIS requires a request for tax transcript, even by people who know they haven’t filed tax returns, along with W-2s and an affirmation of no income.

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14. USCIS goes on to require tax transcripts or verification of non-filing even though the latter letter does not indicate whether a return was required. This is confusing. Further, USCIS states that “tax transcripts are easily requested through the IRS website or through paper filing.” As noted earlier in this letter, the IRS website now requires proof of credit - either a credit card, mortgage or loan, or cell phone bill in one’s name. Many low-income people we work with have none of these items. They will have to rely on paper transcript requests that take much longer and will not be available in time for one-day workshops like ours.

15. We disagree with USCIS’s comment that the proposed change will not increase burdens on USCIS adjudications or applicants, including the requirement that each individual file his or her own fee waiver request. It ignores the current naturalization backlog, not to mention the expected backlogs that will increase due to longer adjudication times to analyze financial documents and economic hardship data (or to write the required and frequently issued denial letters with reasons that we have all come to expect), followed by burdens on the mailroom for refiling all the denied cases.<sup>6</sup>

### Conclusion

We expect that OneAmerica’s citizenship program will either serve fewer people because of the extra time involved to prepare more complicated income-based fee waivers OR because we will need to refer these clients out to other service providers. This will in turn impact our grant funding that has certain minimum application processing requirements. The likelihood of applicants coming to our workshops with inadequate paperwork will increase and we will not be able to help them, or we will be limited to serving only people who do not need fee waivers. This means that many people who are actually eligible for naturalization will not be able to apply at our workshops or elsewhere. This means a lack of access to legal services. It may also be the intention of this rule, and if it is not, it is a barrier to applying, which in turn is a barrier to voting rights, ability to participate in civic engagement, and a barrier to improving one’s economic and social status.

USCIS should review the development of the current fee waiver standards and engage in a reasoned analysis of how it arrived at its current proposal. Nothing in the current notice or in the USCIS comments to the public’s comments indicates an understanding of how and why the current form and guidance were created in 2010, which is critical to planning any changes. The Form I-912 request for fee waiver with its three-step eligibility formula, and the 2011 guidance, were specifically created to simplify the fee waiver adjudication process. The eligibility for receipt of a means-tested benefit was the linchpin of that simplified process.

We urge USCIS to abandon this misguided proposal. USCIS has not provided any justifiable basis for the need to change the fee waiver process and requirements. Indeed, its cavalier attitude that applicants can just keep renewing their green cards and wait for a day sometime in the future when they have funds to apply for naturalization appears to be a direct assault on the ability of poor people to become US citizens, something we know this administration has expressed in the

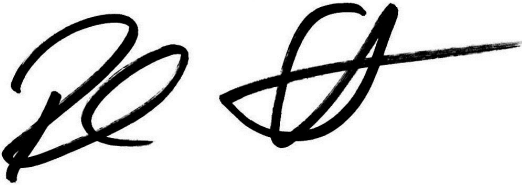
<sup>6</sup> (We defer to our colleagues working in the humanitarian visa space about the USCIS comments to the public comments about qualifying for fee waivers in those categories.)

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media through rhetoric. As an immigrants' rights organization whose mission is to promote democracy through civic engagement, we believe naturalization is the way to empower and engage new citizens who go on to contribute to and improve our communities.

Sincerely yours,



Rich Stolz  
Executive Director  
OneAmerica

### Attachments:

OneAmerica comment letter dated 11/27/18 with additional articles at  
<https://www.regulations.gov/document?D=USCIS-2010-0008-1242>

# **EXHIBIT C**



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*Submitted via email*

*July 3, 2019*

OMB USCIS Desk Officer

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Samantha Deshommes

Chief, Regulatory Coordination Division

USCIS Office of Policy and Strategy

Department of Homeland Security

20 Massachusetts Avenue NW

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**Re: Agency USCIS, OMB Control Number 1615-0116** - Public Comment Opposing Changes to Fee Waiver Eligibility Criteria, Agency Information Collection Activities: Revision of a Currently Approved Collection: Request for Fee Waiver FR Doc. 2019-11744, Filed 6-5-19; 84 FR 26137 – Comments to third set of proposed rules.

Dear OMB Desk Officer and Ms. Deshommes:

I am writing on behalf of OneAmerica, a Seattle, Washington based 501(c)(3) nonprofit organization, in opposition to the Department of Homeland Security (DHS), United States Citizenship and Immigration Services (USCIS) proposed changes to fee waiver eligibility criteria, OMB Control Number 1615-0116, published in the Federal Register on June 5, 2019. We are filing these comments by the deadline of July 5, 2019.

We previously provided two comments on the September 28, 2018 and April 5, 2019 proposed regulations pertaining to “data collection” for form I-912 while eliminating receipt of means tested benefits as a ground to qualify for a fee waiver. Copies of our prior comments are attached. They address some other issues not mentioned in this comment, and we incorporate those comments by reference here. Once again we oppose the government’s latest new justification for the rule. Previously, DHS stated the reason for the rule was to avoid “inconsistent adjudications” due to the use of varying income levels used by means tested benefits granting agencies around the country. However, no evidence about inconsistent adjudications was provided, nor how varying income levels were relevant to such adjudications given the “inability to pay” standard for fee waivers. Now, DHS presents a new reason for the rule - to recoup revenues lost from the cost of fee waivers. This reasoning is unsupported by evidence. Filing fees are set bi-annually based on a cost analysis that includes potential fee waiver use. However, the level of filing fees based on cost to process applications has nothing to do with the proposed change here, which is to eliminate an eligibility criterion for a fee waiver, i.e., receipt of means tested benefit, where the requirement for a fee waiver is “inability to pay” - not revenue collection or analysis. 8 C.F.R. § 103.7(c). Further, this rule, while

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being presented as a form data collection rule, continues to violate the Administrative Procedures Act (APA) as a substantive change in eligibility for the fee waiver, and is not a mere change in data collection or interpretation of a rule under the Paperwork Reduction Act (PRA).

### About Us and our Expertise

OneAmerica is a 501(c)(3) organization and the largest immigrant and refugee advocacy organization in Washington State. OneAmerica plays an active role in state and national coalitions working on immigrant rights, education, economic and environmental justice, voting rights, and immigrant and new citizen integration. Our mission is to promote justice, fairness, and due process for all, particularly for immigrant and refugee communities.

We have particular expertise to be commenting on this regulation. One of our flagship programs, Washington New Americans (WNA), has provided free citizenship screening and application preparation workshops throughout the State of Washington since 2008, in partnership with the Washington Chapter of the American Immigration Lawyers Association (AILA-WA). Volunteer immigration attorneys and DOJ-accredited representatives meet with prospective applicants to screen for naturalization eligibility. Assuming no major issues, we then prepare their N-400 forms, including fee waivers, if eligible. Then their applications undergo a second round of attorney review. Once finalized, the applicants leave our workshops with a completed N-400 package ready for filing. The applicants then either represent themselves at their USCIS interviews, or are advised to bring counsel with them as needed. We hold approximately 22 workshops like these around Washington State per year. Often we are in one rural location just once a year, which can be difficult for some applicants who do not have everything we need to complete their case that day.

We collect income data for everyone we serve. More than 90% of all clients served are at or below 300% of the federal poverty line, though our program is not income-limited. The Washington State Office of Refugee and immigrant Assistance (OIRA) funds similar services, but requires that those served through their programs be the lowest-income permanent residents. Thus, WNA fills the gap, serving many whose earnings are slightly too high for OIRA-funded programs, but are still unable to afford private attorneys.

Approximately 40% of our applicants apply for fee waivers for the \$725.00 N-400 filing fee, and of those, about 50% do so based on receipt of public benefits and 50% apply under the 150% poverty guidelines income test. We do not offer assistance with fee waivers based on economic hardship because of their complexity and high rate of denials. Of the fee waiver applications our applicants file, a small proportion of income-based waivers are rejected the first time, sometimes arbitrarily. The public benefits-based fee waivers we prepare, however, are rarely rejected by USCIS. Approximately 10-15% apply for I-942 reduced fees. When we have offered applicants the opportunity to use the credit card form, we have rarely had clients use that option because they don't have credit cards.

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In our FY18 grant cycle, 28% of the applicants who successfully completed their N-400 at our workshops did not send in their applications because they could not afford the fee, and were either ineligible for the fee waiver or didn't bring enough income documentation to the workshop for us to help them prepare the income-based I-912. We expect this 28% figure to increase substantially under the proposed regulation if it becomes final. We expect the figure to rise even more if USCIS increases the filing fee later this year, and if the proposed public charge rules become final as well.

Fundamentally, we serve an important need in Washington State by providing free legal services to lawful permanent residents (LPR)s with fairly straightforward cases who would otherwise not be able to prepare their cases alone or afford to hire private counsel. Nearly half of them cannot pay the very expensive filing fee of \$725.00 or reduced fee of \$405.00. And if we are no longer able to support them with this aspect of their application, many will find themselves barred from naturalization not due to ineligibility, but simply because they cannot afford to file.

We strongly oppose this rule because it continues to lack justification and evidence to support that justification, it is complex and unduly burdens eligible LPRs from applying, and because it increases the time and expense burdens on applicants, nonprofit legal service organizations like ours, government agencies, USCIS adjudicators, and communities across America. Frankly, the rule appears to be solely for the purpose of preventing low income people from applying for naturalization, and at the very least, accessing counsel to help them with a complex prerequisite to filing despite being eligible for naturalization in the first place.

### **USCIS' Justifications for Changing the Eligibility Requirements for Fee Waivers are Contradictory and Unsupported by Evidence**

The first and second proposed regulations stated the reason to eliminate the means tested benefits ground for a waiver was because of "inconsistent adjudications" due to varying income levels used by state and federal means tested benefits granting agencies. No evidence or justification was provided for this reason even to this day. The third latest proposal now says the government's reason is the need to save money to cover the cost of lost revenues from fee waiver filings. However, the regulation at 8 CFR 103.7(c) requires that fee waivers be based on "inability to pay," not the government's need to save money.

Furthermore, the basis for a fee waiver is separate and distinct from how much filing fees should be to cover costs, taking into consideration there will be cases filed with fee waivers. The process to determine filing fee rates based on cost and other factors to the agency, including estimates of future use of fee waivers is a process that will be taken up later this year when USCIS performs its bi-annual fee assessment. It has nothing to do with whether one qualifies for a fee waiver when applying for an immigration benefit and completes form I-912, as this rule is an amendment to a form as written. That the agency claims it is not recouping sufficient filing fees goes to the heart of setting the fee rates in the first place, not to the adjudication of fee waiver requests. *Notably, the higher the*

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*filing fees, the greater the demand for fee waivers, as fewer people are able to pay ever increasing filing fees. It goes without saying that if filing fees were more affordable, more people would be paying them in full or seeking fee reductions rather than fee waivers!*

Further, costs to the agency would be less if it didn't make so much work for itself evidenced by the high RFE, NOID and denial rates that create processing time backlogs, and in the case of other immigration areas, requires additional work and travel permits, extension requests and other applications. Many RFEs could be avoided due to just sloppy adjudications. More importantly, the two rationales given - consistency in adjudications and to save the agency money - are internally inconsistent, and both are unsupported by any evidence whatsoever. Inability to pay is not based on revenue goals. Revenue goals should be taken up in the bi-annual fee setting process.

Even using a uniform income standard across the country such as the Federal Poverty guidelines does not reflect ability to pay without subtracting certain basic expenses (e.g., food, housing, and clothing). States and benefits granting agencies that do not rely on the poverty guidelines are in the best position to look at income and expense rates in their jurisdictions given different wage rates and cost of living figures when determining whether to issue means tested benefits. What is left over at the end of the day to an applicant after subtracting minimum basic expenses from income reflects the applicant's true ability to pay.

In our prior comments on this point as attached, we pointed out examples of regional and city disparities between Seattle and Toledo. Below is a comparison of several mid-sized cities and their FY 2019 income levels for a household of four determined by HUD to be "extra low income," "low income" and "very low income," plus average rental rates for a two bedroom unit for a family of four, and the percentage of income devoted just to those housing rates<sup>1</sup>:

<sup>1</sup> HUD User FY2019 Income Limits <https://www.huduser.gov/portal/datasets/il/il19/Section8-IncomeLimits-FY19.pdf>

HUD User FY 2019 Fair Market Rents Document System

[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019\\_code/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019_code/select_Geography.odn)



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	<b>Seattle Metro, WA</b>	<b>Milwaukee Metro, WI</b>	<b>Toledo metro, OH</b>	<b>Jackson Metro, MISS</b>	<b>Fed Poverty Guidelines up to 125% HH of 4</b>
<b>Median Family Income (MFI) HH of 4</b>	\$108,600	\$77,500	\$68,900	\$67,200	\$32,187=125 %  (\$25,750=100% of FPG)
<b>"Extra low income"</b>	\$33,200	\$27,550	\$25,750	\$25,750	
<b>"Very Low Income"</b>	\$55,350	\$38,750	\$34,450	\$36,000	
<b>"Low income"</b>	\$88,250	\$62,000	\$55,199	\$39,600	
<b>Average 2 bedroom Rent</b>	\$1899/mo (\$22,788/yr)	\$918/mo (\$11,016/yr)	\$727/mo (\$8724/yr)	(\$9060/yr)	
<b>Housing as % of income MFI, Extra low, very low, low</b>	20%, 68%, 41%, 25%	14%, 40%, 28%, 17%	13%, 33%, 25%, 15%	13%, 35%, 25%, 22%	

*As is evident from the chart above, USCIS' proposal would actually CREATE geographic disparities in terms of who could apply for fee waivers if based on income alone. For*

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example, NO ONE IN SEATTLE, could qualify even if their income is deemed by HUD to be “extra low income” since \$33,200 per year exceeds 125% of the poverty guidelines for a household of four, and where the cost of housing alone uses up 68% of their income! However, those in Toledo, Milwaukee and Jackson with “extra low incomes” could qualify, (where housing eats up 33-40% of their income), while anyone with very low income or low income could never qualify even though people with very low income are paying more than 25% of their income on housing, and almost double that in Seattle.

We know from experience that applying for, and submitting documentation for a naturalization fee waiver based on financial hardship takes longer, and is less likely to be approved, than an income-based or public benefits based waiver. They also require some unusual facts not related to just income such as extraordinary medical expenses, expenses of an emergency and the like. They also trigger more denials for arbitrary and inconsistent reasons.

Not only would people from Seattle, where our \$15/hour minimum wage would also disqualify individuals as well as families from qualifying for the fee waiver on form I-912, but they will also be disqualified from the I-942 reduced fee also based on income despite having extraordinarily high housing costs. Seattle has become the sixth costliest city in the country to live in, according to 2017 data.<sup>2</sup> (Even our local USCIS office has trouble finding personnel that can afford to live here.) Income may be higher, but expenses are significant, leaving many people with income over the poverty line but insufficient funds to pay the \$725 or even the reduced fee. This would require them to file under the more complex hardship waiver ground or not file at all.

The chart above only looks at housing. But, the Bureau of Economic Analysis measures differences in cost-of-living through its regional price indexes, which compare buying power across all 50 states and the District of Columbia.<sup>3</sup> That data shows that, according to the most recent available data, the price of goods and services was 48% higher in Seattle, the fourteenth highest-priced municipality, than it was in Beckley, West Virginia, the lowest-priced municipality.

The Massachusetts Institute of Technology has developed a Living Wage Calculator to determine the minimum that families need to spend on food, child care, health insurance, housing, transportation, and other basic necessities across a range of different family structures and localities.<sup>4</sup> This, too, reveals significant disparities in cost of living. Whereas, the required annual income (before taxes) for a family of two adults and two children with one working adult is \$50,433 in Mississippi, it is \$64,559 in King County, Washington, where Seattle is located. These wide discrepancies in the cost of living results in the Poverty Guidelines not truly reflecting the reality on the ground for many

<sup>2</sup> “Seattle Hits New High for Cost of Living and It’s Not Just Housing,” Seattle Times, Jan 26, 2018. <https://www.seattletimes.com/seattle-news/data/beer-burgers-and-haircuts-seattle-hits-new-high-for-cost-of-living-and-its-not-just-housing/>

<sup>3</sup> Bureau of Economic Analysis, *Real Personal Income for States and Metropolitan Areas, 2017* (May 16, 2019), <https://www.bea.gov/news/2019/real-personal-income-states-and-metropolitan-areas-2017>

<sup>4</sup> Massachusetts Institute of Technology, *Living Wage Calculator*, <http://livingwage.mit.edu/>



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U.S. residents.<sup>5</sup> Thus, the fact that a family living in a high-cost area making even more than 300% of the static Federal Poverty Guidelines does not mean they can afford housing where they live—a fact HUD recognized and adjusted for.

The federal government has recognized that these discrepancies limit the usefulness of the Poverty Guidelines in certain states and localities, and has allowed states and federal agencies to use different measures of an applicant's "inability to pay" in administering federally-funded means-tested benefit programs.

For these reasons, the Federal Poverty Guidelines, taken alone, are an inadequate measure of an individual's ability to pay the naturalization fee and actually create geographic disparities in qualification for the fee waiver based solely on income. Preventing USCIS adjudicators from considering receipt of means-tested benefits, and requiring them to look only at the Federal Poverty Guidelines and evidence of financial hardship, blinds the agency to significant differences in cost of living that the federal government considers and accommodates in countless other settings.

**Eliminating eligibility for a means-tested benefit will place a significant burden on individuals applying for immigration benefits while doing nothing to improve "consistency."**

Months after the original comment period closed, USCIS has still not provided any evidence that accepting proof of receipt of a means-tested benefit has led the agency to grant fee waivers to individuals who were able to pay the fee. By contrast, proof of receipt of a means tested benefit is by far the most common and straightforward way to demonstrate fee waiver eligibility as applicants can show current receipt of benefits by providing a copy of the official eligibility letter, or Notice of Action, from the government agency administering the benefit. As mentioned earlier, it takes about 10 minutes for our volunteers to prepare a fee waiver request under this test.

In our prior comments, we provided statistics about our legal clinics and how time saving for us the means tested benefit waiver application is compared to an income based waiver. Moreover, economic hardship cases are too complicated and prone to USCIS denials for our clinics to handle at all. We address in our prior comments the undue time and expense burdens on applicants, on our clinics and on other government agencies who have to deal with the proposed evidentiary changes to meeting the income and hardship grounds for the waiver. Please see attachments.

The current procedure recognizes that ability to pay, which is the legal standard, is not the same for two people with the exact same income who live in two different states with entirely different costs of living. If people with the same income living in Jackson, Mississippi and in Seattle, Washington must have the same income to qualify for a fee waiver—as they would if the Federal Poverty Guidelines are used as the primary measure

<sup>5</sup> U.S. Dep't of Housing and Urban Development, Office of Policy Development and Research (PD&R), *Income Limits*, 2019, <https://www.huduser.gov/portal/datasets/il.html>.

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of ability to pay despite Seattleites paying up to 68% of their income on housing, that is arbitrary and cannot possibly be a fair measure of ability to pay.

### **The Paperwork Reduction Act Process Is Inappropriate for Substantive Rule and Guidance Changes**

USCIS has proceeded in this process with a notice and comment under the Paperwork Reduction Act (PRA) of 1995, as though a merely technical collection of information change is being proposed. The PRA requires the agency to explain the purpose of the form being produced and its paperwork burden on the public. The goal of PRA review is efficiency in data collection. Here, however, much more than a form or collection of information is involved, to wit, a fundamental change in eligibility for a fee waiver. Therefore, use of the streamlined PRA process is inappropriate. The proposed changes to the fee waiver eligibility criteria and accepted forms of evidence represent a fundamental change in the law that is being finalized without meaningful public notice and comment required for rulemaking under the Administrative Procedures Act. Moreover, USCIS has not responded in the current notice to the comments sent in for the prior rule notices in April 2019 and September 2018.

In the current notice, USCIS attempts to characterize the change as one that will not adversely affect applicants, and states that it has determined that, for those who applied based on receipt of a mean-tested benefit, there will be no harm based on applicants' reliance on the existing fee waiver standard. This appears to be a deliberately narrow reading of reliance. The experience of applicants belies that claim. If USCIS had engaged in any meaningful public engagement, and responded to the comments that were filed, the adverse effect would be clear.

USCIS also states that no applicant will be unduly burdened by the elimination of fee waiver eligibility based on receipt of a means-tested benefit and dismisses applicant reliance as insignificant. USCIS claims that its publication of three summary form change notices with no public engagement complies with the APA. In our prior comments, we laid out in some detail exactly how the applicants, legal service providers like ours, and other government agencies affected by the proposed increase in evidence required would be substantially burdened in the way of time, money and service to applicants. None of these points have been addressed prior to publishing this third proposal. The current notice does not raise a thoughtful response to the many comments made previously, so we repeat them here.

### **The Revised USCIS Rationale for the Proposed Change Reveals the Real Reasons for this Change: To Reduce the Amount of Fee Waivers that Are Granted in Order to Reduce Access to Naturalization by Poor People**

By only accepting fee waiver requests based on income at or below 150% of the poverty income guidelines and financial hardship, USCIS will effectively deny the ability of large numbers of applicants to qualify for the fee waiver and thus limit access to naturalization despite being eligible to become US citizens. USCIS is aware of this, and the latest notice

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now admits this is a motivation for the change. This is contrary to Congressional intent to allow for fee waivers and to increase access to citizenship in particular. Although USCIS continues to maintain the agency is also trying to make the process more consistent and efficient, with the current notice USCIS' primary motivation is clear: denying access to immigration benefits and naturalization for vulnerable populations under the guise of recouping revenues for services to those who cannot afford them and need fee waivers. Raising money for the agency and the value of fee waivers are not relevant under the PRA. But a change in fundamental requirements about who qualifies for a fee waiver is rulemaking requiring compliance with APA procedures.

The modified USCIS rationale for elimination of a means-tested benefit in the current notice is that fee waivers are excessive and must be reduced in order for the government to save money. The claim by USCIS that the proposed changes will improve fee waivers—by eliminating the main basis on which most people qualify for a fee waiver—is clearly only an improvement in terms of USCIS revenue, without regard for access to immigration benefits and naturalization for deserving individuals who should be able to apply even if they cannot afford to pay. It is not meant to be an improvement for either applicants or adjudicators as previously claimed.

In the notice, USCIS cites to the FY 2016-2017 proposed fee schedule rule as authority. While the authority of a proposed rule is doubtful at best, we note that the overall theme of the cited fee rule was to increase access to citizenship for all income levels, not diminish it, and the references provided in this notice is out of context. In any event, any consideration of the cost of waivers and fees should be taken up during the bi-annual fee schedule review.

The USCIS FY 2016 Fee Rule added a new provision to increase access to U.S. citizenship for eligible applicants, creating a reduced fee (sometimes referred to as a “partial fee waiver”) for certain naturalization applicants if they had income over 150% and up to 200% of the federal poverty guidelines; the Fee Rule preserved the existing full waiver for persons receiving a means-tested benefit, with income at or below 150% of the poverty guidelines, or who had financial hardship. The proposed Fee Rule emphasized the importance of access to naturalization for low-income people. USCIS stated that its goal was to increase access to as many eligible naturalization applicants as possible because of the importance of citizenship and the significant public benefit to the Nation, and the Nation’s proud tradition of welcoming new citizens, a rationale stated in the 2010 Fee Rule and reiterated in the 2016-2017 rule.

Most importantly, the fee waiver exists to ensure that all eligible applicants have access to immigration benefits and naturalization, even if they are unable to pay the application fee. It is improper and circular logic to eliminate fee waivers to justify agency revenue from individuals who are unable to afford the fees.

In our prior comments, we addressed the importance contributions of new citizens on uplifting communities through higher wages, tax payments, homeownership, civic



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engagement and other factors. See attachments. We also previously addressed the time and resource burdens on individuals applying for fee waivers under the proposed rule, which contradicts the government's estimation that the changes in the rule would not be an excessive burden on applicants when just the opposite is true. We also previously discussed the likely new and excessive new burdens on various government agencies dealing with the proposed documentary changes for income testing under the proposed rule, time and resource burdens on legal service providers, and the consequent reduction in access to legal services and in under-resourced locations. As we said there and above, the proposed rule will INCREASE inefficiencies at DHS, not reduce them. Most importantly, we addressed how the revisions would negatively impact the ability of vulnerable and poor individuals to apply for immigration benefits for which they are eligible. We ask that you review and give due consideration to all three of our comments.

### Conclusion

If this rule becomes final, it will substantially burden our Washington New Americans program and the clients we serve. We expect our current 28% rate of people with completed applications not filing due to inability to pay the filing fee to increase if this rule is finalized as is. We expect it to be unduly burdensome for applicants to come sufficiently prepared to our one-day workshop ready to file income based fee waivers given the complexity of the proposed new evidentiary requirements. We expect as a result that fewer people will be ready to file meaning that eligible applicants will have less access to counsel and ability to become US citizens despite eligibility for naturalization. Not only is the proposal an assault on poor people having access to naturalization. It is also an assault on access to legal services. The increasing complexity and length of the N-400 when combined with the proposed complexity of the fee waiver process increases the need for legal services. This program would directly affect legal clinics like ours that serve low income people in rural parts of our state.

The current notice, like the previous two notices, vastly underestimates the burden that this change will cause to applicants and the legal service providers who represent them. Naturalization applicants are the largest group of persons applying for these fee waivers, and the notice makes no acknowledgment of the impact this will have on persons seeking citizenship.

USCIS now provides a contradictory rationale that purports to improve adjudication consistency but simultaneously disqualify as many people as possible to raise more revenue. No reasonable basis is provided for such contradictory goals.

USCIS should review the development of the current fee waiver standards and engage in a reasoned analysis of how it arrived at its current proposal. Nothing in the current notice indicates an understanding of how and why the current form and guidance were created in 2010, which is critical to planning any changes. The Form I-912 request for fee waiver with its three-step eligibility formula, and the 2011 guidance, were specifically created to

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simplify the fee waiver adjudication process. The eligibility for receipt of a means-tested benefit was the linchpin of that simplified process.

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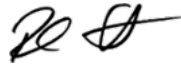
We urge OMB to reject the proposal and rationale for the changes to fee waiver eligibility and related form changes.

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